

FBIS

DAILY REPORT

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NICARAGUA'S BORGE SPEAKS AT COPPPAL MEETING

PA261555 Managua BARRICADA in Spanish 25 Feb 87 p 3

[Excerpts] During the 11th meeting of the Permanent Conference of Latin American Political Parties [COPPPAL] on 21 February, homage was paid to Peruvian Victor Raul Haya de la Torre and General Augusto C. Sandino. On that occasion, Commander of the Revolution Tomas Borge, who is also a COPPPAL vice president, delivered a speech in Lima. Here are some excerpts of his speech:

We interpret our presence at this meeting in which Haya de la Torre and Sandino are resurrected through remembrance as an expression of the friendship between Peru and Nicaragua. Consequently, it is not by chance that this 11th COPPPAL meeting is being held in Peru.

Peru and Nicaragua, enemies of imperialism and forgetfulness, look each other in the eye, recognize each other as relatives, and see each other harmed by similar suffering but enlightened by similar hope.

We are heirs to or victims of dependency. It will be impossible to store up surpluses, that is to say, it will not be easy to achieve a more advanced economic development that is possible in some countries. The COPPPAL president, Comrade Romulo [Romulo Escobar] referred yesterday to the plundering of the colonized countries and the prevalence of unequal exchange.

We will not get rich, because of our principles. In addition, we could not do so by exploiting other countries. We Latin Americans do not want to and should not exploit each other. Nevertheless, we can achieve unity to defend both our interests and our excellent yet depleted raw materials. Unity will make us wise; unity will make us free. The day we become free, we will have created the true conditions for democracy. Dependency is the number one enemy of our democracy. So long as one is dependent, no one is entitled to demand or expect democracy. The objective conditions for this unity, however, are being created. The objective conditions for the national independence of each of our countries are being created. The objective conditions to break the chains, to abolish national selfishness, and do away with the plunder due to sectarian selfishness are being created. [passage omitted]

Because of this, Peruvian brothers, we Nicaraguans are building a democracy, as we have said already -- while at the same time we are clearing the decks for action -- a democracy in the middle of war and despite war.

Although Nicaragua is forced to earmark nearly 50 percent of its budget for defense, a million young, outgoing students have invaded our towns and cities. Nicaragua has three million people and a million students. Although Nicaragua is forced to destine human resources, energy, and blood to confront aggression, our democracy has delivered lands to two-thirds of the peasant families who did not have land. Our democracy has benefited 100,000 peasant families with more than 2 million hectares of land. Is this true democracy or not? [passage omitted]

Democracy in Nicaragua is the autonomy of Indian peoples and communities of the Atlantic coast as a response to demands accrued during the dark years of isolation and contempt.

Democracy is dignity; practical equity; the relinquishing of selfishness and privileges. It is the determination to defend the homeland, no matter how powerful the attacker and how high the price we have to pay.

Democracy is to defend national sovereignty. Democracy is to defend this sovereignty threatened by the United States. President Reagan himself has said: "I am a contra." By this he means, of course, that he is the leader of the mercenaries who have their fingers on the triggers of the rifles with which they murder Nicaraguans.

Counterrevolutionaries have caused more than 37,000 casualties. I am not including in this sinister review the 50,000 Nicaraguans who offered their lives in the last stage of the struggle against Somoza.

Has not the U.S. Government been carrying out military exercises almost without interruption at our borders and in our seas for a number of years? At this moment, three exercises are being conducted simultaneously in Central America, all of them aimed at rehearsing a Yankee invasion of Nicaragua.

In these circumstances, and over and above any consideration, be it philosophical, semantic, or whatever, democracy for Nicaragua is to give weapons to the people so they can defend their right to exist as a nation.

Democracy is to declare a state of emergency to defend the democracy that is threatened, to defend the rights and duties of Nicaraguans, to safeguard our Constitution.

We do not want the "democracy" of aggression. We do not want the democracy that ignores the The Hague International Court of Justice. We do not want the democracy that sells arms in the black market and uses profits to finance a dirty war behind the back of its own Congress. We do not want the "democracy" that threatens mankind with a war of nuclear extermination.

One more time, we said: We are a people of warriors, not a warmongering people. We love peace as much as we love life, but we love liberty much more than we love life.

ECONOMY MINISTRY ANNOUNCES \$500 MILLION LOAN

PY270119 Buenos Aires DYN in Spanish 0048 GMT 27 Feb 87

[Text] Buenos Aires, 26 Feb (DYN) -- The Economy Ministry reported tonight that "the disbursement of a bridge loan, granted by a group of 12 industrial countries, for approximately \$500 million, is about to be firmed up."

This loan is intended to bridge the gap until the IMF decides to disburse a \$480 million credit granted because of the drop in exports.

Economic Policy Secretary Juan Sommer released the communique stating that 15 July was set as the deadline for the disbursement of the compensatory credit for the drop in exports.

UCR DEPUTY: DEBT MORATORIUM STILL POSSIBLE

PY262008 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1540 GMT 26 Feb 87

[Excerpts] Buenos Aires, 26 Feb (NA) -- Radical Civic Union [UCR] Deputy Raul Baglini has said that the Argentine Government "does not discard" the possibility of declaring a unilateral moratorium on the foreign debt should creditor banks fail to respond favorably to the proposal made a few days ago. He added that "no substantial progress has been achieved" on the first day of negotiations -- yesterday in New York -- due to disagreements among creditors themselves. [passage omitted]

In remarks he made from New York to Radio del Plata, Baglini stated that "the committee of creditor banks has not yet unified its position" and that for this reason "the meeting (scheduled) for today has been postponed." [passage omitted]

Asked about the fact that Argentina could follow Brazil's lead and declare a moratorium, Baglini stated that our country "has not discarded the possibility of using these measures should the negotiations fail to yield a result that could guarantee our country's growth."

"This is the priority objective concerning the foreign debt renegotiation. The growth achieved last year must be maintained through 1987," he stated.

Baglini concluded by saying that he hopes the banks and developed nations (?will think about this) and "they must continue to make an effort to provide new funds and to find a final solution: something that has been avoided since 1982 when this debt problem began."

Spokesman Discards Possibility

PY260057 Madrid EFE in Spanish 0052 GMT 26 Feb 87

[Text] Buenos Aires, 25 Feb (EFE) -- Economy Ministry adviser Roberto Frenkel today ruled out the possibility that his country might suspend interest payments on its foreign debt. In a statement to EFE, Frenkel said that because "all" of the negotiations "are going very well, a suspension of payments would not be logical." Frenkel said Argentina has obtained loans from the World Bank and from the IMF itself, "thus, I do not see the need for such an extreme measure."

CGT COMMUNIQUE REJECTS RECENT ECONOMIC MEASURES

PY270028 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 26 Feb 87

[Text] Buenos Aires, 26 Feb (NA) -- The CGT [General confederation of Labor] today rejected the announcements made last night by Economy Minister Juan Sourrouille by describing them as "a new development in economic authoritarianism."

The CGT established its position in a communique that was read this afternoon by its secretary general, Saul Ubaldini, who said that despite this disagreement, it will continue to hold negotiations in Congress to achieve a new collective bargaining agreement law.

VICE PRESIDENT DENIES ARMED FORCES UNREST

PY262047 Buenos Aires Domestic Service in Spanish 1600 GMT 26 Feb 87

[Text] The Armed Forces High Command meeting held yesterday created the rumor that there was unrest in the Armed Forces. This is why we want to see Vice President Victor Martinez. "Treinta Nacional" asked him if there was any unrest in the Armed Forces. This is what he said:

[Begin recording] [Martinez] No, we understand that Armed Forces members may feel a bit sensitive about the current situation. This is understandable. When anyone from any sector is called to testify, the sector to which the person belongs is not going to be indifferent. There is going to be some concern, and the Armed Forces are not free from that concern. [words indistinct] however, it is no more than a concern. Those who have been called to testify are called sometimes as witnesses and sometimes to get information on the court process [passage indistinct].

[Reporter] [Words indistinct] that there has not been any unrest in the Armed Forces?

[Martinez] No, there has not been any since we came into the government. They may feel a bit sensitive, but under no circumstances is there any, quote, unrest, unquote. [end recording]

[Words indistinct] Vice President Victor Martinez categorically denying any unrest in the Armed Forces.

CLARIN RESPONDS TO ALFONSIN CRITICISM

PY202128 Buenos Aires BUENOS AIRES HERALD in English 20 Feb 87 p 11

[Text] (NA) -- The daily CLARIN yesterday published an editorial answering the accusations of President Raul Alfonsin to the effect that the newspaper made Argentines lose faith and hope. CLARIN suggested the president ought to be concerned with national reality rather than headlines and vowed to continue providing the public with information in a "serene but loyal and firm fashion."

The Radical Federal Capital Committee, meanwhile, considered "unconceivable and absurd" any interpretation of the president's speech as an attack against freedom of the press. A statement signed by district leaders Jorge Gomez and Enrique Nosiglia also points out that "in our modern history only the Radical governments have guaranteed freedom of expression."

DOMESTIC TRADE SECRETARY REPORTEDLY TO RESIGN

PY211958 Buenos Aires BUENOS AIRES HERALD in English 21 Feb 87 p 3

[Text] (NA) -- Domestic Trade Secretary Ricardo Mazzorin will be stepping down shortly to run for the Lower House of Congress in the year-end elections, but he will be used as a scapegoat by Economy Minister Juan Sourrouille to make changes in the department aimed at creating new expectations on anti-inflationary strategies, the weekly EL ECONOMISTA claimed yesterday. "The departure of Mazzorin -- a man of a clear political vocation -- will not be conflictive, but he will serve as a scapegoat in what can be crudely described as the failure, right from the start, of the price policies drawn up for this year," the magazine said.

OPPOSITION, CGT SEEKING NEW LABOR LAW

PY192316 Buenos Aires BUENOS AIRES HERALD in English 19 Feb 87 p 11

[Text] (NA-DYN) -- Opposition legislators and General Confederation of Labour (CGT) representatives yesterday called for a collective wage bargaining bill with free bargaining talks as from July 1, setting a six-month long economic emergency period and a clause guaranteeing real wages.

The decision, reached by deputies from the Justicialist, Intransigent, Christian Democratic, and Progressive Democratic Parties and CGT representatives, will be communicated to the Radicals today during the meeting of the Lower House Labour Legislation Committee.

The unionist and deputies had earlier agreed on a strategy to oppose the government bill on wage bargaining talks which would give the government emergency powers to limit wage increases for an 18-month period.

The strategy included the possibility of not granting quorum for congressional treatment of the bill scheduled for next Thursday.

The senators and deputies who make up the congressional Labour Legislation Committee will meet today in an effort to settle disagreements on the collective wage bargaining bill, Radical Deputy Ricardo Terrile (Santa Fe) reported.

The Radical Party national committee will next Tuesday consider the CGT's invitation to discuss Argentina's socio-economic situation and the labour grouping's 26-point programme.

CGT Secretary-General Saul Ubaldini also met with Formosa Governor Floro Bogado and Chaco Governor Florencio Tenev as part of the round of talks undertaken by the labour grouping to discuss its economic proposals.

The Lower House legislation committee yesterday began studying a bill proposing that the state undertake the payment of the debts contracted by the CGT during its state intervention. There is disagreement over the amount owed, as the CGT holds that the eight million australs stipulated by the government are insufficient.

Labour Minister Hugo Barrionuevo will ask the Social Pastoral term "to specify the concrete claims" that the CCT is making through the Church's mediation.

UTA [Motor Transport Workers Union] transport workers union yesterday threatened to increase one-hour stoppages per shift undertaken by subway workers to two to three-hour partial strikes if an agreement is not reached with subway authorities.

The walkout had been suspended to give negotiations a chance. Nevertheless, negotiations continued and there were contradictory reports as to their success.

The four railway workers unions yesterday declared themselves on state of alert and are considering staging protest measures if the government does not agree to bring their salaries in line with inflation, unionist Jose Pedraza reported.

Telephone workers signed an agreement with the ENTEL state telephone company on wage issues and called off a work-to-rule protest measure.

A statement from the FOETRA [Federation of Telephone Workers and Employees of the Argentine Republic] union federation said the agreement provided for a "reasonable" level of payment. It said meetings would be held on the 15th of each month to continue restructuring wages until definite levels were reached for all union members. The agreement was due to come up for approval by a plenary session of secretaries-general of the 28 unions represented by FOETRA to be held on Friday.

In education news, CTERA [Confederation of Education Workers of the Argentine Republic] teachers union Secretary General Wenceslao Arizcuren said that he does not have "great expectations" regarding the government's response to the sector's wage claims.

No wage agreement was reached in the union leader's meeting with Education Secretary Adolfo Stubrin yesterday.

UDA [Argentine Teachers Union] teachers union held that the jobs of 35,000 teachers are at risk if the law requiring ten years of practice to attain full teacher status is applied, and thus asked the executive to veto it.

The increase in the levels of production and sales during 1986 with respect to 1985, verified in all branches of economic activity, did not result in more jobs, a UADE (Argentine Business University) poll reported.

In other labor news, Salta municipal workers yesterday continued the strike they began two days ago in demand for better wages and the resignation of the city's mayor while the conflict threatened to spread to the rest of the province. An employee who had been on a hunger strike since the beginning of the strike had to be hospitalized. On Tuesday Entre Rios provincial government workers receive a nine-percent wage increase for this month on top of a 10-percent hike last month.

Government Studying Proposal

PY202112 Buenos Aires BUENOS AIRES HERALD in English 20 Feb 87 p 11

[Text] (NA-DYN) -- The General Confederation of Labour (CGT) yesterday announced its plans to go to court and organize a series of protest measures if the drop in real wages caused by the unexpected surge of inflation during the first quarter of 1987 is ignored by the government in the course of current wage negotiations.

Labour Secretary Armando Caro Figueroa, meanwhile, revealed the government is "seriously" studying a proposal presented by the CGT and opposition congressmen to bring wages in line with inflation and reduce the economic emergency period included in the wage-bargaining bill.

The Labour Ministry released a statement announcing a 0.7-percent drop in unemployment in 1987 and confirming that 126 wage agreements have been signed within government guidelines to date.

Caro Figueroa pointed out that protest measures were on the decline in 1987 as compared to the first months of 1986 while only underground workers had staged walkouts linked to ongoing wage negotiations.

In reference to the wage bargaining proposal, Caro Figueroa said "it is important for the opposition to understand that the economic emergency is a reality" rather than an abstract notion.

Radical and Peronist legislators failed to reach an agreement yesterday on the extent of the economic emergency period which the Radicals want to set at nine months against six months proposed by the Peronists. Late reports nevertheless suggested that an agreement was forthcoming.

Lower House Labour Legislation Committee chairman Ricardo Terrile expressed optimism over the possibility of reaching an agreement, but said it was illogical to request free wage negotiations "in the present situation."

Official sources, meanwhile, revealed that deliberations are under way between the government and CGT sectors under UOM [Metalworkers Union] Secretary-General Lorenzo Miguel to reach a "social peace" agreement for the remainder of 1987.

The government is reportedly bent on gathering support for its wage policy from the Orthodox Peronist 62 Organizations, led by Miguel, which includes several Lower House members.

But efforts to contact Renewal Peronist deputies with union background in this same respect have allegedly been unsuccessful.

Labour Minister Hugo Barrionuevo, meanwhile, yesterday denied press reports suggesting he called on the Social Pastoral team headed by Archbishop Italo di Stefano to state the concrete claims made by the CGT through the mediation of the Church.

Di Stefano and San Juan Bishop Rodolfo Bufano, in turn, referred to the "religious character" of the ceremony in which Pope John Paul II will meet workers in La Matanza and denied any political connotations which "would cloud the spiritual sentiments of our people."

On the strike front, underground services might suffer the consequences of partial strikes organized by the UTA [Motor Transport Workers Union] transport union today to press for wage increases above the maximum permitted by the government.

Negotiations are still under way in order to avoid the "surprise" one-hour partial strikes.

Taxi drivers, meanwhile, called a strike scheduled for March 6 to protest municipal regulations, "which have caused many problems to the sector."

UBALDINI RESIGNATION THREAT PROMPTS CRISIS

PY221904 Buenos Aires BUENOS AIRES HERALD in English 22 Feb 87 p 15

[Text] (NA-DYN) -- General Confederation of Labour (CGT) leaders were yesterday looking for a way out of the crisis created by CGT Secretary General Saul Ubaldini when he threatened to resign his post last Friday [20 February].

Ubaldini had expressed annoyance at reports of meetings between CGT leaders and members of the Radical administration aimed at reaching a one-year social pact between labour and government.

The Renewal Peronist sector -- formerly Committee of 25 -- and the 62 Organizations were quick to release statements denying links to the government and the possibility of secret talks with members of the administration.

Sources, nevertheless, insisted that a group of CGT leaders known as the Group of 15 were involved in the abovementioned negotiations.

UOM, Metal Workers' Union, Secretary-General Lorenzo Miguel would be among these rebel leaders together with Oscar Lezcano (Power and Light), Juan Zanola (bank clerks), Armando Cavalieri (shop clerks), Diego Ibanez (oil workers) and Jorge Triaca (plastic workers). CGT sources were surprised to find former Renewal Peronist leader Jose Rodriguez (auto workers) and Committee of 25 founder Julio Guillan (telephone operators) in the list of rebel negotiators. Other sources reported that the secret meetings were held with Lower House majority leader Cesar Jaroslawsky and Economic Coordination Secretary Adolfo Canitrot.

The CGT Directive Council, meanwhile, released a statement supporting Brazil's decision to declare a moratorium on its foreign debt and warned that labour struggles in the future would not only demand wage increases but also a participation in decisions affecting the "national patrimony."

The communique did not mention the press conference given by Treasury Secretary Mario Brodersohn on Friday in which he announced Argentina would favour growth over payment of the foreign debt.

The co-ordinator of the pope's visit to Argentina, Monsignor Arnaldo Canale, warned it was "not convenient" for the CGT to present its grievances before Pope John Paul II when he visits Argentina in April.

Social Pastoral team chairman Italo di Stefano admitted the Catholic Church continues with its efforts to mediate in the ongoing conflict between the Radical administration and Peronist-led labour unions.

Further Report

PY252059 Buenos Aires BUENOS AIRES HERALD in English 25 Feb 87 p 11

[Excerpt] (NA-DYN) -- The General Confederation of Labour (CGT) yesterday voiced staunch support for Saul Ubaldini as its secretary-general and denounced negotiations with the government by labour leaders who overlooked directive council regulations.

For his part Ubaldini denied rumors of strained relations between the church and labour, affirming that the meeting between Pope John Paul II and workers would go ahead as scheduled on April 10. The attitude of a group of Orthodox Peronist union leaders reportedly holding unilateral talks with the government sparked heated debate during yesterday's four-hour CGT directive council meeting.

Ubaldini, in his first public appearance since the row over the "secret" negotiations started last Friday, yesterday admitted he was poised to resign on Friday but added that once "the situation was cleared up and, counting with the total backing and endorsement of the directive council," he had decided to "carry on with our fight."

The alleged undercover talks were reportedly aimed at establishing a one-year government-labour truce. The CGT leadership is due to meet again tomorrow morning to analyze the economy measures which will be announced tonight by Economy Minister Juan Sourrouille.

On the strike front, the UTA warned the measure was but the first stage of a labour protest to obtain wage hikes and "decent working conditions." Meanwhile 80 percent of car workers and mechanics in Greater Buenos Aires stayed off the job yesterday, in direct confrontation with the sector's management which refused to acknowledge the "day of the mechanics" established 30 years ago as a paid holiday but removed by the military regime.

One hundred percent absenteeism was reported at the Ford, Volkswagen and Mercedes Benz plants during the early shifts yesterday, while support for the measure was high throughout the country. SMATA auto workers' union leader Manuel Pardo said the union's decision was in accordance with "collective bargaining agreements." [passage omitted]

CAPUTO GREETES PRC ON ANNIVERSARY OF RELATIONS

PY192200 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1315 GMT 19 Feb 87

[Text] Buenos Aires, 19 Feb (NA) -- It has been officially reported that in a greeting he sent to his PRC counterpart, Wu Xueqian, to mark yesterday's 15th anniversary of the establishment of diplomatic ties between the two nations, Foreign Minister Dante Caputo described bilateral relations with the PRC as "excellent."

Caputo's greeting, which was released by the Foreign Ministry, states: "I convey to Your Excellency and, through your honorable offices to the PRC people and government, our satisfaction with the excellent development of our bilateral relations and their promising future within the framework of mutual understanding and cooperation." The greeting adds: "While congratulating Your Excellency on this anniversary, I wish to convey to you my wishes of peace and prosperity for the PRC people and Government."

ALFONSIN, GUATEMALA'S CEREZO SIGN JOINT DECLARATION

PY252216 Buenos Aires TELAM in Spanish 1724 GMT 25 Feb 87

[Text] Buenos Aires, 25 Feb (TELAM) -- The presidents of Argentina and Guatemala, Raul Alfonsin and Vinicio Cerezo Arevalo, respectively, today agreed that dialogue and negotiations between all the parties involved are the only alternatives to achieve a solution to the Central American crisis. They also stated that the foreign debt undermines the possible growth of countries in the region.

This is included in a joint declaration signed this afternoon by the two presidents at the Olivos presidential residence within the framework of the 4-day official visit that Cerezo is making to Argentina. The joint declaration states that the two presidents pointed out the urgent need to continue to make great efforts to achieve a long-lasting peace throughout the hemisphere based on the enforcement of a true pluralist democracy in all countries in the region, and under the strict principle of nonintervention. They also expressed their concern over the situation in Central America and agreed that the Central American crisis can only be satisfactorily resolved through dialogue and negotiations between the parties involved within the framework of the spirit of solidarity, cooperation, and mutual respect which must prevail between sister nations.

President Cerezo reasserted his country's firm support for the negotiations carried out by the Contadora and Contadora Support Groups and stressed the importance of the recent peace mission undertaken by [words indistinct] the UN and OAS secretaries general.

Cerezo stated that Guatemala will continue to staunchly uphold its neutrality to help the efforts toward a long-lasting peace in the region. He also said that the Contadora Group represents the best effort that has been carried out to achieve peace in the region.

He asserted that Guatemala has traditionally recognized Argentina's sovereignty rights over the Malvinas Islands, the Georgias and South Sandwich Islands and he reasserted Guatemala's invariable support for Argentina's position on this issue. Cerezo also said that the prompt start of negotiations between Buenos Aires and London is necessary and urgent. Cerezo also expressed his concern over the continued military presence of the United Kingdom in the Malvinas Islands because this creates a focus of tension in the area; and over the UK's unilateral decision regarding fishing in the South-Western Atlantic region, saying that it is an issue of potential conflict in the region and a new element of instability in the area.

The two presidents also agreed that the present economic situation affecting Latin America countries, which is aggravated by the burden of the foreign debt, undermines the development of these countries and the legitimate aspirations of the people, causing social unrest, and creating an atmosphere of uneasiness and restlessness which does not contribute to the consolidation of democracy.

President Alfonsin reasserted the significance of the return of democracy to Latin America and he praised President Cerezo's efforts to strengthen and consolidate Guatemalan institutions.

Cerezo Ends Visit 26 Feb

PY261541 Paris AFP in Spanish 1419 GMT 26 Feb 87

[Excerpts] Buenos Aires, 26 Feb (AFP) -- This morning Guatemalan President Vinicio Cerezo concluded his official 3-day visit to Argentina and left for Montevideo, continuing his tour of South American countries. At the metropolitan airport, Cerezo was accorded the usual military honors and was seen off by President Raul Alfonsin. On 25 February the two presidents signed a joint declaration stressing, among other topics, the need for peace in the hemisphere.

GROUPS REACTION TO SOURROUILLE SPEECH REPORTED

PY270215 Buenos Aires DYN in Spanish 1206 GMT 26 Feb 87

[Text] Buenos Aires, 26 Feb (DYN) -- Leaders from several social sectors, excluding the Radical Party [UCR], today strongly criticized the economic measures announced by Minister Juan Sourrouille

Guillermo Alchouron and Roberto Favelevic, presidents of the Argentine rural society and of the Argentine industrial union, respectively, criticized the freeze deadline on the grounds that it is harmful for the sectors they represent. "Beyond any doubt, the freeze must be enforced over a short period, otherwise the market can be distorted," Alchouron said, adding that for the rural society and for the country as a whole, "4 months is a century."

Alchouron said: "I do not believe this project will work out if it lasts much longer than the stationary policy [politica estacionaria]." He warned that "the price freeze may yield immediate results, but it will also bring distortions into the market."

Roberto Favelevic said he was "puzzled" at the Economy Ministry's announcement and also "worried about the fact that no term was set" for the end of the price freeze he qualified as "bread for today and hunger for tomorrow." Favelevic said that, to the industrialists who cannot make profits cannot make investments, and "in the long term there will be fewer national goods and the country will go backwards." Favelevic said if the price freeze is meant to prevent a strong inflationary resurgence, "it should not last longer than 30 or 60 days," given the present difficulties the country is undergoing.

Meanwhile, Domingo Cavallo, former Central Bank president, said that the adopted measures "are within the context of a worn-out economic plan that must be replaced."

Osvaldo Borda, a labor leader and a deputy, recalled President Raul Alfonsin's statements, and called the new measures "a film we have already seen and in which the workers are the losers."

"When we speak of a movie we have already seen, we are referring to the sort of measure we, Argentines, already know, and the bad thing is that the same measures were implemented by a former de facto government," Borda said.

Economist Raul Cuello noted that "sequences have never been good," thus alluding to what he considers "a relaunching of the Austral Plan." He connected the new economic measures with the next elections, and said that "the government's purpose is to get into the electoral race by giving the sensation that economic efficiency can be measured through a restricted price level."

Rogelio Frigerio, president of the Integration and Development Movement [MID], stated in a communique that "the speech is the most obvious proof of the Austral Plan's failure." He also said that "the government is once again using the private sector's income and salaries as an adjustment variable."

Abelardo Ramos, leader of the Popular Left Front, said that "at least the economy minister's speech served to confirm the failure of the Austral Plan," but it also "confirmed its continuation, therefore, deepening the government's [words indistinct] economic management."

Rafael Martinez Raymonda, president of the Progressive Democratic Party, said: "Regarding the economic crisis, the government has adopted the same attitude it adopted regarding the social security problem." He added: "By not specifying the date the price freeze will be lifted, we are running the risk of going through the same problem Brazil had, first, there will be a shortage of products, and then, a sudden price increase

Carlos Auyero, head of the Christian Democracy, said that the economy minister has intensified "an economic policy oriented to pay its foreign debt." Auyero made an appeal for arriving "urgently at a great political, economic, and social understanding, in order to outline a policy of growth and social justice."

Mariano Lorences, president of the Intransigent Party, said that the new economic measures are "a total ratification of the Austral Plan," therefore, we continue to wasting our time. He added: "First, we lost time with Bernardo Grinspun's policy, then, we lost more time with the Austral Plan, which was a classic plan of orthodox monetarism to reduce inflation, but which did not resolve the Argentine economic problem."

Regarding the debt refinancing for the rural sector announced by the economy minister, Manuel Cabanellas, president of the Argentine Rural Confederations, CRA, said, the "4-year term with a regulated interest rate, is not enough."

Referring to the increase in prices, which fluctuate between 4 and 9 percent for cereals, he said that "they do not cover production costs."

Different business organizations also expressed their opposition to the announced measures. The Argentine Industry Council [Consejo Argentino de la Industria] has stated through its President Rolando Pietrantueno, that the announcements made show that the adjustment measures are unfeasible because they are protracted" Describing these measures he said that there could be "an austral that lasts 14 months, a little austral [australito] that lasts 6 months and australoid [australoides], the duration of which will be decided by circumstances."

The coordinator of commercial and business activities has stated that the measures reflect "the total exhaustion of an economic model which stemmed from the Austral Plan and did not succeed in curbing inflation, much less reestablishing a plan for reinvestment, production, and distribution."

The General Economic Confederation [La Confederacion General Economica] has stated that "such measures are only valid if they seek a solution to the problems that cause price increases, reduce salaries, and repress demand."

The Communist Party has also criticized the adopted measures, and a communique release by its Central Committee states that "in the measures announced by the minister there isn't a single measure seeking to solve the current crisis." It adds that "this is the continuation of the Austral Plan," that is, "of the Austral Hunger."

The Communist Party also criticized the price freeze policy, given the fact that only salaries are frozen, while prices continue to increase. This only serves to enrich, first of all, captains of industry, the monopolistic bourgeoisie, and the oligarchy."

The Humanist Party has stated that "this is just another preelectoral and austral shock." "They are compulsive and paralyzing measures which attempt to curb an inflation that has not been reduced, but only repressed."

The Youth of the Union of the Democratic Center [La Juventud de la Union del Centro Democratico] has conveyed through its president Santiago Lozano its dissatisfaction, and stated that "this new plan shows a government confused about its economic policy, and that it is only trying to breathe fresh air around the elections."

Referring to the unconstitutional nature of the decree, the youth stated that "the economic disorderliness is added to the repeated violations of the individual rights provided for in our Constitution."

Finally, among the few positive reactions to the announced measures, we can cite the remarks made by UCR deputies Jesus Rodriguez and Ricardo Terrile, who stressed the benefits of the measures. Rodriguez stated that the announced measures seek "the drastic and very strong reduction of inflation." He added that loss of the purchasing power of salaries during the months of January and February have been taken into account, and that some readjustments have been made for the family basket "to put the fiscal situation in order."

The deputy said that "the Austral Plan has support despite the position of some leaders." He added "there were two choices in view of the inflation increases in January and February: Either leave it as it was, even though history shows that nothing can be solved that way, or see what happens with the new measures."

The deputy also indicated that at the same time measures will be taken to change the volume of supply, to create wealth and to contribute in this manner to the increase of real salaries.

Ricardo Terrile said that the package of measures announced yesterday "will strengthen the negotiations with the CGT [General Confederation of Labor] on the issue of labor legislation."

He said that "these measures will help in the debate between the workers and the opposition in Congress." He added that the measures counteract the imbalance created by the increase in inflation in the first two months. He said that "the measures will give the workers the help they need at this phase of the economy."

CABINET REPORTEDLY RESIGNS AT PRESIDENT'S REQUEST

PY270116 Paris AFP in Spanish 0007 GMT 27 Feb 87

[Text] La Paz, 26 Feb (AFP) -- Informatics Minister Herman Antelo reported here today that at the request of President Victor Paz Estenssoro, the Bolivian cabinet has tendered its resignation. Although the text of the resignation is unknown, Antelo reported that the cabinet members resigned so the president can undertake the new economic recovery stage with a new cabinet.

Antelo said that the Paz Estenssoro administration dedicated its first period, which started in August 1985, to curbing the inflation that was strangling the national economy. A few days ago, President Paz Estenssoro said that since this objective has been achieved, it is now necessary to promote new job sources and increase exports and imports so as to overcome the harsh recession affecting the country.

The resigning cabinet was sworn in January 1986, and it is one of the longest-surviving cabinets in the almost always restless Bolivian political scene.

CEREZO STOPS IN SANTA CRUZ EN ROUTE TO ARGENTINA

PY231422 La Paz La Red Panamericana in Spanish 1130 GMT 23 Feb 87

[Text] Guatemalan President Vinicio Cerezo made a brief stop in Santa Cruz en route to Buenos Aires. He said that foreign debt payments have political implications that affect the economic and social development of our peoples. We must try to reach agreements capable of providing a solution to the problem.

Speaking to the press, President Cerezo expressed satisfaction at being able to visit Bolivia because he has always admired Bolivia's permanent struggle to consolidate its democracy. Asked for an opinion on Bolivia's demands for a sea outlet, Cerezo said that the historical rights of all the people should be respected, and solutions must be sought through diplomatic channels.

BRIEFS

TRAFFICKERS ARRESTED, COCAINE SEIZED -- In the town of Unduavi, Nor Yungas Province, La Paz Department, Mobile Units for Rural Areas (UMOPAR) forces have arrested Florencio Ramirez Mamani and Alberto Jimenez Gutierrez. Ramirez Mamani was in possession of 6 kg of cocaine sulphate base and Jimenez Gutierrez was in possession of 0.9 kg of the same substance. In the city of Santa Cruz de la Sierra, personnel from the Santa Cruz Directorate for the Control of Dangerous Substances raided the Oriental district in Santa Cruz, arresting Jorge Montano, Juan Yargui Gonzales and Maria Gonzales Rodriguez and seizing 7.35 kg of cocaine. [Excerpts] [La Paz EL DIARIO in Spanish 24 Dec 86 p 4 PY]

PHILIPPINES AMBASSADOR PRESENTS CREDENTIALS -- Philippines Ambassador to Bolivia Ernesto Garrido yesterday presented his credentials to Bolivian President Dr. Victor Paz Estenssoro. [Summary] [La Paz EL DIARIO in Spanish 28 Jan 87 p 3 PY]

POLICE GENERALS APPROVED -- The National Senate yesterday approved the promotion of two new police generals. The promoted officers are Police Colonels David Hinojosa Encinas and Jorge Saavedra Campos. [Summary] [La Paz EL DIARIO in Spanish 5 Feb 87 p 3 PY]

DEBT TO BE CONVERTED TO RISK CAPITAL, INVESTMENTS

PY262014 Sao Paulo Radio Bandeirantes Network in Portuguese 1600 GMT 26 Feb 87

[Text] The Banco do Brasil has said that the government is talking with international creditor banks about the possibility of converting part of our debt into investments and risk capitals in Brazil.

A high-ranking Banco do Brasil official said that only a political decision from Brasilia is needed to make this happen -- that is, to start the conversion process.

FURTHER ON FEDERALIZATION OF 5 STATE BANKS

PY261446 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Feb 87

[Text] As of today, the Brazilian Central Bank will begin to administer, for an indeterminate period of time, the Rio de Janeiro, Maranhao, Mato Grosso, Ceara, and Santa Catarina State Banks. The Central Bank will have to start administering these banks because checks amounting to 23 million cruzados have been written against them, and the banks do not have the funds to cover the checks. This measure, which was supported by the governors-elect of these five states, was decreed by President Jose Sarney yesterday, and is aimed at reorganizing the banks and reducing the public deficit.

Finance Minister Dilson Funaro announced the measure:

[Begin Funaro recording] There was a previous law, which established that the Central Bank could take over the administration of a bank only through a liquidation process. The government and the Central Bank, however, do not wish to take over these banks, instead they want to establish a temporary management capable of controlling some very large withdrawals made by these banks. The fact that these banks have repeatedly withdrawn money from the Central Bank has seriously increased the public deficit.

Therefore, in a decision made jointly with the governors-elect, we have adopted this measure enabling the federal government to assume the administration of these banks in order to help them function better. This measure will thus enable the federal government to reorganize these banks, which are refinancing their loans at very high interest rates. [end recording]

Minister Funaro will go to Planalto Palace again today to meet with President Sarney. Tonight he will travel abroad to renegotiate our foreign debt which, he says, currently amounts to \$111 billion. Minister Funaro said he will also explain to U.S. creditors the measures adopted by the Brazilian Government on 20 February, when it decided to suspend, for an indeterminate period of time, interest payments on its foreign debt.

Minister Funaro said that the operations being conducted by these banks will not be affected and added that those responsible for the bad situation of these banks will be punished.

During his trip abroad, Minister Funaro will contact U.S. financial authorities. On 27 February, he will meet the Federal Reserve Bank Chairman Paul Volcker, and IMF Managing Director Michel Candessus. On 28 February, Minister Funaro, Central Bank Chairman Francisco Gros, and Finance Ministry Foreign Affairs Coordinator Alvaro Alencar will travel to Paris, and then to Rome.

Minister Dilson Funaro said that although the creditor banks are not willing to grant Brazil new loans unless the Brazilian Government reaches agreements with the IMF, Brazil has no intention of signing any agreement with this international institution. [Funaro recording indistinct]

FINANCE MINISTER'S AIDES ON ECONOMIC MEASURES

PY261720 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Feb 87

[Text] Finance Minister Dilson Funaro's aides have asserted that the government will not launch any new economic package before or immediately after Carnival. Only after submitting new measures to foreign creditor countries, authorities, and bankers, will the government introduce them to the country. These aides have also informed that measures will not be adopted under the form of a package, but will be implemented gradually. They also denied any possibility of another price freeze, because, as they said, this measure would only be positive if a social pact were reached.

They said that although there will not be a new economic package, the government will announce, no later than tomorrow, decrees that will correct the Cruzado Plan. These decrees will establish the month correction of the OTN [National Treasure Order], and the reindexation of all contracts.

The decrees will also establish the index for the readjustment of house-mortgage installments and unpaid mortgage balances.

FUNARO: GOVERNMENT WILL AUDIT FOREIGN DEBT

PY262230 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Feb 87 p A-19

[Quotation marks as received]

[Text] The Brazilian Government will perform an audit on its foreign debt to ascertain its exact terms and amount. This statement, made by Finance Minister Dilson Funaro during the "Public Opinion" program to be aired by TV Brasilia this evening, reflects the thesis maintained by the PMDB [Brazilian Democratic Mobilization Party]. In its 7 December issue, FOLHA carried an exclusive article reporting that the government was considering the possibility of performing an audit on the foreign debt.

"We will audit the debt, but without a spirit of confrontation with anyone. It is simply essential of Brazilians to become acquainted with all the details of the problem," the minister said.

During the interview, the minister reported that 25 percent of the \$108 billion debt -- that is, some \$27 billion -- accounts for the very high interest rates that burden the Brazilian debt. In addition, in the past Brazil had to pay 1 percent of its entire debt in commissions to the banks that agreed to refinance the debt. Later, during a second phase -- which ended when Funaro took over as finance minister a year and a half ago -- the commissions decreased to 0.5 percent of the debt. Therefore, Brazil paid approximately \$1 billion in commissions to its foreign creditors.

The minister added: "That is why we have the right to know the terms of our \$108-billion debt. There has been no more talk about charging commissions on the refinancing of our debt since I became finance minister."

According to the minister's own estimates, if the interest had been properly computed, in keeping with what other debtors were paying, our debt would have certainly not surpassed \$80 billion.

Funaro thinks it is necessary that Brazil continue its modernization program in order to preserve its power for competing on the international market. He added that even a delay of 3 or 4 years for renewing its industrial complex could make Brazilian industry a complex of scrap iron. Funaro said: "To prevent that from happening we must continue importing components and raw materials to help maintain our industrial modernization."

Funaro denied that one of the conditions for the acceptance of the temporary suspension of interest payments on the foreign debt is to give concessions to foreigners in the computer field. He added: "All countries in a given period ensure reserves in the market of technological development. Any country that does not do this will definitely be taking a step backwards."

Funaro said: "Too many restrictions do as much harm as too many concessions. In the first case, we keep away the investors who could help us, and in the second we run the risk of denationalization." Funaro added that so far the Brazilian Government's decisions to suspend interest payments on the foreign debt "is coming along as expected especially because Brazil clearly explained that it is not seeking a confrontation with its creditors." He indicated that "he is not thinking of the idea of retaliations, but that he is strategically ready to renegotiate the foreign debt."

DAILY SAYS DEBT REPAYMENT LINKED TO GNP GROWTH

PY261502 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Feb 87 p A-19

[By Clovis Rossi]

[Text] Brazil and the United States have begun discussing the Brazilian foreign debt in the worst possible way: It is a dialogue of the deaf. On the U.S. side, both Treasury Secretary James Baker and Federal Reserve Chairman Paul Volcker are demanding an internal adjustment and the return to the IMF (which Volcker euphemistically referred to as "international financial organizations").

On the Brazilian side, FOLHA learned that despite the U.S. warning, the government still believes that "the debt issue cannot be solved using the U.S. formula."

In other words, the Sarney administration believes that producing gigantic exportable surpluses with which to service the debt is not the right method. Moreover, the government believes that "Brazil is not exporting a surplus, and that if demand increases only slightly, there will be nothing left to export."

The Brazilian Government has agreed to the internal adjustment suggested by U.S. authorities, although this adjustment is not seen as a formula for balancing Brazil's external accounts. The Brazilian government believes that even if the economic policy adopted in 1986 had been totally successful, the creditors would have continued to demand payments that are incompatible with the growth of the Brazilian economy.

This is why the government has decided to seek a compromise between internal adjustment and adjustment of its external accounts (it should be noted that the promise to make internal adjustments have not been fulfilled).

The Brazilian Government thus decided to link the repayment of its foreign debt to a specific GNP growth rate. If that rate (it was impossible to learn the exact rate) is not reached, the government will simply refuse to repay what it owes its foreign creditors.

At Planalto Palace, sources close to President Jose Sarney have emphasized that "creditors must accept that we have to grow."

The following days or weeks will tell whether this is a dialogue of the deaf or the usual arm wrestling in which creditors and debtors engage before beginning to actually negotiate.

MINISTER CHAVES DISCUSSES FUEL PRICES, RETALIATION

PY252227 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 25 Feb 87

[Text] Mines and Energy Minister Aureliano Chaves has stated that gasoline and alcohol prices will not go up on 1 March. He said that reports of this are mere speculation! However, the minister did not discard the possibility of a readjustment should the international market price of petroleum rise. He explained that a decision to increase the prices of petroleum byproducts is made only through a consensus of opinion by all ministers.

Chaves also commented on the suspension of interest payments on the foreign debt. He said there is sufficient fuel for at least 60 or 80 days in case of retaliation by oil exporting countries. The Mines and Energy minister also said that electricity tariffs will be readjusted soon, and that his ministry is about to conclude studies in this area.

Countries Offer Oil

PY261523 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Feb 87

[Text] Several countries have offered to supply oil to Brazil as a way of expressing support for the Brazilian decision to suspend the interest payments on its foreign debt.

Brazil and the PRC yesterday signed a contract for the supply of 50,000 daily barrels of PRC oil. Itamaraty acting spokesman Fernando Melo Barreto reported that this week Brazil also received oil supply proposals from Nigeria, Iran, Iraq, and Kuwait, which are major oil-producing countries and members of OPEC.

According to Melo Barreto, the Brazilian decision to suspend interest payments on its debt has not brought retaliation from other countries.

[Begin Melo Barreto recording] So far, no economic or trade problem has been reported. Our trade relations are normal, we have even received proposals to intensify our trade with certain countries. There has been no trade difficulty whatsoever. [end recording]

Melo Barreto also said that Itamaraty has not confirmed the rumor that a Brazilian vessel and its cargo was seized in the port of New York in retaliation for the decision to suspend interest payments on the debt. According to Melo Barreto, the Brazilian Foreign Ministry has been in close contact with its trade offices abroad, and has not noted anything unusual.

SAO PAULO CARDINAL SUPPORTS DEBT MORATORIUM

PY261945 Sao Paulo Radio Bandeirantes Network in Portuguese 1600 GMT 26 Feb 87

[Text] Brazil would be a more respected country in the international scene if it had suspended the interest payments of its debt earlier, according to Cardinal Archbishop of Sao Paulo Paulo Evaristo Arns. He thus explained the church's position, which is one of total support for the Brazilian Government decision on the debt.

The cardinal said that the Brazilian Government has adopted an attitude defended by Pope John Paul II in a recent statement in which he condemned the rich countries for asphyxiating the poorer ones with exaggerated interest rates.

Cardinal Paulo Evaristo Arns went further; he revealed that the pope had adopted this position after receiving a petition on this issue from all the world's bishops.

COMMUNIST PARTY NOTE SUPPORTS SARNEY'S DECISION

PY261527 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Feb 87

[Text] The Brazilian Communist Party yesterday released a note supporting President Sarney's sovereign and patriotic decision to suspend interest payments on the foreign debt.

The Communists believe this measure should be considered as a first and important step toward the global solution to the foreign debt problem.

TELECOMMUNICATIONS AGREEMENT SIGNED WITH ECUADOR

PY262230 Brasilia Domestic Service in Portuguese 2200 GMT 25 Feb 87

[Text] Brazil will export \$58 million worth of equipment for the installation of 2,000 public telephones and telexes in 60 Ecuadoran cities.

This agreement was signed today in Brasilia by Ecuadoran Ambassador Luis Ponre Henriquez, a representative of Cacex [Foreign Trade Department] and Communications Minister Antonio Carlos Magalhaes.

BRIEFS

HUGE GRAIN LOSSES FORECAST -- Brasilia, 8 Feb (EFE) -- The Agriculture Ministry has announced that at least 5 million tons of grain from the harvest in Brazil will be lost due to the shortage in storage facilities. The losses will total \$3 million and are equivalent to 20 percent of the combined harvests of rice, wheat, corn, soybeans, and sorghum. Agriculture Minister Iris Rezende had warned that there was not enough storage space for the entire harvest and that is why he urged Brazilians to improvise storage space, using swimming pools, airports, and other facilities to prevent the loss. According to the minister, the country has the capacity to store 66 million tons. However, a great part of the storage capacity is used for imported grain. [Excerpts] [Madrid EFE in Spanish 1332 GMT 8 Feb 87 PY]

MINISTER HAILS BANKS' APPROVAL OF PAYMENT PLANS

PY211045 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 19 Feb 87

[Text] Finance Minister Hernan Buchi today described the approval of the Chilean Government's formula as an important step in the renegotiation of the foreign debt with the creditor banks. Meanwhile, Chilean Ambassador to the United States Hernan Felipe Errazuriz has said in Washington that this approval represents confidence in the Chilean economic policy.

During an informal conversation with journalists this morning, Buchi said that the approval of the Chilean formula is a starting point in the negotiations aimed at obtaining financing for the 1987 and 1988 Chilean economic programs. The negotiations are currently in progress in New York.

The Chilean formula, known as retiming, will allow Chile to pay the interest on its foreign debt on a yearly basis instead of a half-yearly basis. This will allow the country to save \$400 million in foreign debt payments.

During a telephone conversation from Washington, Ambassador Errazuriz said that Citibank's approval last night of our retiming formula is very important. This formula has already been approved by the other 11 members of the bank committee. Errazuriz explained the significance of this approval:

[Begin Errazuriz recording] The progress we have made in the current negotiations in the United States on our foreign debt demonstrates confidence in the Chilean economic policy. While other countries' foreign debt negotiations are uncertain or at a standstill, Chile has achieved progress. For the third consecutive year, Chile has demonstrated an economic growth rate, the Chilean people's effort to recover and develop, a responsible administration of its foreign debt, and the validity of its economic policies, which are producing positive results. [end recording]

Ambassador Errazuriz also said that there are still other issues pending with the foreign banks. The most important of those is the foreign debt's new interest rate, which will be fixed during this renegotiation. This is why the negotiations will last a few more days, Errazuriz said.

[Begin Errazuriz recording] The main thing is that an obstacle has been overcome and our proposal has been accepted. The negotiations process of our proposal still awaits us. [end recording]

Further on Debt Renegotiation

PY262305 Santiago Radio Chilena in Spanish 1600 GMT 26 Feb 87

[Text] The agreement reached with the creditor banks will permit the consolidation of the 1987 and 1988 economic program, Finance Minister Hernan Buchi has reported. The complete formula proposed by the Chilean Government has been accepted, which will grant us favorable payment conditions for our foreign debt, he said. Buchi also said that the foreign banks have agreed to extend for 2 more years the payment of credits worth \$1.7 billion which were granted for international trade. [as heard]

Minister Buchi confirmed that the agreement with the creditor banks also included the reduction of interest rates for our \$11 billion debt, which has been rescheduled until 1991.

[Begin Buchi recording] Yesterday we reached an agreement with the creditor banks regarding the interest rate. We reached an agreement in keeping with the Chilean proposal, which envisaged the reduction of the interest rate on the rescheduled credits. The interest rate on these credits was 1.125 percent over the Libor rate and it was reduced to 1 percent over the Libor rate. That is what we agreed upon with the banks. [end recording]

The finance minister said that given the new formula, Chile will not have to request \$650 million for its needs over the next 2 years, which means that there will no need to contract more debts.

[Begin Buchi recording] In our proposal, we sought a process that would avoid requesting fresh money, not because we do not need it, but because there are alternative ways to obtain the financing of our trade balance over the next 2 years. [end recording]

When consulted about the agreement, Hernan Buchi said that Chile's objectives have been fulfilled. This will allow the Chilean economic program for 1987 and 1988 to proceed.

[Begin Buchi recording] I think that the agreement effectively fulfills our objectives. This is the only reply I can give you. It does not matter how happy we are but it is a matter of whether we were successful or not in complying with our (?macroeconomic) program objectives, and with our goals of maintaining our growth and employment rate. I think we have effectively fulfilled this objective by this agreement. [end recording]

Asked if, as a result of the present negotiations with the banks, there will be an improvement in salaries, Buchi said that we must first achieve job stability, create new jobs, and only later gradually implement salary increases. To other questions, he replied that the Central Bank will release further details about the negotiations with the international banks.

COURT ACQUITS ANALISIS MAGAZINE DIRECTOR

PY250128 Santiago Radio Chilena in Spanish 1600 GMT 24 Feb 87

[Excerpt] The second Santiago Appellate court has acquitted ANALISIS Magazine Director Juan Pablo Cardenas and has annulled the sentence requiring him to report to jail at dusk. That sentence was issued by Santiago Judge (Leonel Beraut).

The journalist was accused of slandering the president. The charge was made by the Metropolitan Intendant's Office. [passage omitted]

CONGRESS ACCUSES FEBRES OF 'IRREGULARITIES'

PA262033 Madrid EFE in Spanish 1941 GMT 26 Feb 87

[Text] Quito, 26 Feb (EFE) -- The Ecuadoran Congress has blamed President Leon Febres Cordero and several government figures for irregularities in the acquisition of luxury vehicles for official use.

The parliament, which has an opposition majority, issued reports in response to several accusations about illegal procedures in the assignments of those vehicles in the Traffic Commission of Guayas Province (CTG), an affair that has caused a great stir in Ecuadoran political circles.

The first of the reports deals with two Mercedes Benz vehicles used by the Presidency, which entered the country illegally.

Miguel Orellana, the president's private secretary, is the person most involved in the problem. According to the report, Orellana directly took part in the illegal procedures.

The document also blames President Febres Cordero because "he knew that his private secretary participated in that process and did absolutely nothing about reporting this action or requesting sanctions against the guilty parties."

A second document distorts reports made by Presidency Minister Patricio Quevedo accusing the former government, which was headed by Christian Democrat Osvaldo Hurtado, of being responsible for the illegal assignment of 710 luxury vehicles in the CTG.

In the first report Quevedo is accused of withholding information and arbitrarily assigning public funds for the acquisition of vehicles.

Alberto Dahik, former finance minister and current presidential economic adviser, is also involved in the problem, because he authorized the procedures despite having abandoned his position as finance minister. For this he was accused of overstepping the boundaries of his duties.

The National Congress will send all those reports to the appropriate judicial authorities, which will take over the case. The people have dubbed this problem the government's "car plan."

BRIEFS

SUPREME ELECTORAL TRIBUNAL APPOINTMENTS -- The Ecuadoran National Congress has structured the new Supreme Electoral Tribunal by appointing the seven members who will govern the organization. Teodoro Pena of the Popular Democracy, Fausto Perez of the Ecuadoran Roldosist Party, and Jose Sanchez Anchundia of the Democratic People's Movement were appointed representing the National Congress. Francisco Ramon of the Democratic Left and Alberto Cabeza de Vaca of the Socialist Party were appointed representing the Supreme Court of Justice. Patricio Bueno Martinez of the Social Christian Party and Jose Gabriel Teran were appointed representing the government. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 26 Feb 87 PA]

OPPOSITION SETS BASIS FOR 'DEMOCRATIC FRONT'

Madrid Forum Held

PY260301 Madrid EFE in Spanish 1606 GMT 25 Feb 87

[Text] Madrid, 25 Feb (EFE) -- The Paraguayan opposition forces today set up the basis for changing the National Accord into a "Democratic Front" which would put into operation a peaceful transition to democracy through social mobilization against the regime.

During the discussion on the transition for democracy, the opposition parties and social movements reached an agreement which in later meetings will develop the methods to break the "stagnation" of the Paraguayan political situation. They also expressed their willingness "to talk" with the sectors of the Paraguayan Armed Forces and the Colorado Party that are committed to the democratic process.

The main points of the agreement are to create a "National Front" with the participation of all the democratic forces, including the Communists; to exclude violent methods against the regime; and to establish concrete deadlines for the transfer of power (2 or 3 years).

The participants agreed that the project for peaceful and negotiated transition with some sectors should be based on a plan of concrete popular mobilizations which would involve "civil disobedience" to accelerate the "crisis" of the current regime.

The majority of the political leaders who are attending the "Meetings for Democracy in Paraguay," which conclude today, emphasized the possibility of holding a "dialogue" with sectors of the Armed Forces.

They added that such dialogue is "impossible" with General Alfredo Stroessner, but "possible" with military sectors that are not committed to the "corrupt system" prevailing in Paraguay.

Gustavo Laterza of the Authentic Radical Liberal Party (PLRA) said that the Armed Forces "are part of the nation" and their participation in the democratization process should be promoted.

The biggest question during today's discussion was the definition of the role of the Armed Forces in the process for change.

In this regard, PLRA leader Domingo Laino warned about the danger of "Stroessnerism without Stroessner." Aldo Zucolillo, director of ABC COLOR, referred to the Paraguayan president's "plan" to have "a civilian puppet president" replace him to perpetuate a "militaristic" system with civilian and economic support.

Zucolillo indicated that the Brazilian Government would support Stroessner's plan to ensure its economic interests in Paraguay.

The need to "link" the military men with civilians was also emphasized by Euclides Acevedo of the Febrerista Revolutionary Party (PRF) and supported by Enrique Riera of the Colorado Popular Movement (Mopoco).

Riera submitted a proposal to force all current generals to retire, while leaving the rest of military echelon intact.

All the forces agreed that the Stroessner regime is still "strong" and, unlike the past military regimes in Argentina, Uruguay and Brazil, it has a social "base," which is the Colorado Party. This party should be "rescued" for democracy.

The eventual participation of the opposition in the upcoming 1988 presidential elections was the greatest point of disagreement among the participants of the Madrid meeting.

While the PLRA does not discard any option to oppose the regime, Luis Alfonso Resck, leader of the Christian Democratic Party, opposed any type of participation because it would "legitimize" the Stroessner laws and dictatorship.

Aldo Zucolillo proposed participating in the elections with the option of "withdrawing" the democratic forces just before the elections if necessary.

Riera (Mopoco) and Acevedo (PRF) want to secure a democratic reform of the current legislation and "guarantees" before participating in the elections.

The opposition forces emphasized the importance of the work being conducted by the National Accord, which includes legal and illegal parties and the need to extend its influence to social movements and economic organizations.

Declaration Issued

PY261721 Madrid EFE in Spanish 2141 GMT 25 Feb 87

[Text] Madrid, 25 Feb (EFE) -- The Paraguayan political parties and social movements that are taking part in the "Forum for Democracy in Paraguay" today requested international solidarity "in the struggle" against the regime of General Alfredo Stroessner. In the so-called "Madrid Declarations" issued at the end of the forum, these groups also request "the acceptance of Paraguayan democratic forces by international forums."

The forum, which opened on 23 February, was closed today by Luis Yanez, president of the Ibero-American Cooperation Institute [ICI]. Paraguayan Writer Augusto Roa Bastos, who coordinated the forum, was unable to attend because he was suffering from a bad case of flu.

Yanez expressed the ICI's "commitment" to supporting programs of those institutions and organizations that "represent the Paraguayan people," and to training leaders for "a democracy that is not too far away."

The "Madrid Declaration" states that this forum "is an important step on the long and difficult path leading to the democratization of Paraguay" because through it, the silence that "the international community has maintained for several years about the oldest dictatorship on the American continent" has been "broken."

It adds that Paraguay "is confronting one of its worst economic crises" not only because of present economic situations but also because of the official policy that "promotes corruption, smuggling, and the expansion of the state apparatus."

In the declaration, those attending the forum engage in "self-criticism" and say they must react against "the terrible genocide and economic and cultural pillage" being perpetrated against Paraguayan Indian groups.

The declaration proposes "the programmatic unity and solidarity of action" of democratic forces to support a peaceful transition that will lead to the enforcement of a state of law; and the "strengthening" of political parties and social organizations in order to achieve democracy.

In addition, Yanez, who is the president of ICI and Spanish Government secretary for cooperation, promised to "redouble" efforts to support the democratization process in Paraguay and stressed the "impressive" press coverage of the meeting in Spain.

Yanez said that the forum "must be held in successive years" because of its importance in promoting international dialogue and cooperation with the Paraguayan opposition.

Yanez added that the Stroessner regime "delays Latin American integration and impedes Ibero-American countries from having a voice at the international level."

Regarding ruling Spanish Socialist Workers's Party (PSOE) involvement in organizing this event, Yanez rejected charges of "interference in the domestic affairs" of other countries, because he said there is no such thing "when we are talking about human rights."

Also present at the closing ceremony was Socialist Senator Jose Prat, president of the Spanish Senate's Ibero-American Affairs Committee.

Attending the forum were leaders from the Colorado Popular Movement (MOPOCO), the Febrerista Revolutionary Party (PRF), the Christian Democratic Party (PDC), the Authentic Liberal Radical Party (PTR), and representatives from social and cultural organizations.

This forum was sponsored by the PSOE Pablo Iglesias Foundation, the ICI, the International Foundation for Development (Sweden), the Swiss Foundation for New Development, and the Friedrich Ebert Foundation (FRG).

ASUNCION PAPERS REPORT 17 FEB PRF RALLY

PY201158 [Editorial Report] Paraguayan newspapers have covered the rally organized by the Revolutionary Febrerista Party [PRF] that took place in Plaza Italia square, Asuncion, on 17 February to commemorate the party's anniversary.

Asuncion EL DIARIO in Spanish on page 6 of its 18 February issue reports that nearly all the speakers at the rally agreed that "the National Accord is a valid alternative for the national democratization process through social mobilizations."

This newspaper reports that "about 1,500 or 2,000 people attended the rally, representing the different political parties that form the National Accord" coalition. This report points out that "the behavior of the forces of order present at the square was absolutely normal."

EL DIARIO adds: "PRF President Fernando Vera was the main speaker of the night, and in his speech he praised the Catholic Church's initiative in sponsoring a national dialogue, 'although perhaps a bit slowly considering our needs.'"

Another PRF leader who addressed the rally was Diana Banuelos, "who requested more active participation of the national youth in national affairs," EL DIARIO adds.

The same EL DIARIO article reports: Authentic Radical Liberal Party [PLRA] leader "Miguel Abdon Saguier was warmly applauded when he took the rostrum. He spoke of the need to unite all democratic forces to try to overcome the troubles preventing us from living within a framework of freedom and justice."

Finally, EL DIARIO reports: "Uruguayan Broad Front Deputy Jose Diaz last night expressed his solidarity with the Paraguayan wish for national democratization." He said: "'We are not here to teach you anything, but we are here to tell you that we are with you and it will be you who will forge your future with your own decisions.'"

Asuncion LA TARDE in Spanish on page 8 of its 18 February issue reports that "Waldino Ramon Lovera spoke representing the National Accord." He said "'Paraguay is a time bomb about to explode,'" adding that his coalition "will never favor 'any project that cooperates, legitimizes, or helps the dictatorship continue. We will be at the vanguard of the struggle to provoke a split in the regime, but not in the National Accord.'"

LA TARDE also reports on PLRA leader Miguel Abdon Saguier's speech. He said: "'All Paraguayans know how elections are run under Stroessner,'" adding that "'all Paraguayans know that the farce that is called elections represent nothing but the legitimization of a man's perpetuation in power.'" According to LA TARDE, Saguier added: "'This is the moment for losing our fear of Law No 209 and prison.'"

OFFICIAL LABELS HUMAN RIGHTS REPORT 'BIASED'

PY240256 Asuncion EL DIARIO in Spanish 22 Feb 87 p 13

[Text] Anibal Fernandez, presidential under secretary of information, has told this newspaper that the recent report on the situation of human rights in Paraguay "is absolutely biased and false."

Fernandez said that there are no political prisoners in the country, and that opposition political leaders who are members of the "legal" and "illegal parties" are conducting "their activities freely." As an example he cited "the political meeting the Febrerista Revolutionary Party held at the Plaza Italia without any interference either before or after the meeting. Even Miguel Abdon Saguier delivered a speech of a clearly subversive nature, calling the people to rebel against officials and he is still free and no one has bothered him."

Fernandez pointed out that yesterday the daily PATRIA strongly rejected the report "with irrefutable arguments," and he called on the people to read PATRIA's editorial.

Fernandez said: "This report, which we learned about from international press agencies, irritates the Paraguayan people because everyone here knows that what it says about our country is not true. The report could also discourage officials in their constant search for perfecting our democracy. Therefore, it is negative for everyone to have a report that conceals the truth."

He went on to say that he regretted that a document of this type on the Paraguayan situation was released because "nothing can be built on lies," and that "one only needs to visit the country to see clearly the environment of social peace and harmony prevailing across the nation."

ATTORNEY GENERAL ELEJALDE LEAVES POST AFTER ATTACK

PY262059 Lima Radio del Pacifico in Spanish 1300 GMT 26 Feb 87

[Text] Attorney General Cesar Elejalde yesterday met with President Alan Garcia to say farewell. Elejalde is leaving his post position on 28 February.

Elejalde said he thanked the president for the interest he showed for his health and for that of his son and driver who were wounded during the recent attack.

14 BANKS DYNAMITED IN LIMA, 'NO CASUALTIES'

PY251416 Lima Radio del Pacifico in Spanish 1300 GMT 25 Feb 87

[Text] Several bombs went off yesterday at 2200 in different parts of Lima. Terrorists dynamited 14 Banco de Credito del Peru branches in an apparently synchronized manner, causing damage but no casualties.

The bank branches that were attacked are located in Rimac, Miraflores, Surco, (Inderesas), Callao, Brena, San Martin de Porras, La Victoria, Trujillo, Salamanca, and Huaranga.

MRTA, MIR Claim Responsibility

PY252252 Paris AFP in Spanish 1657 GMT 25 Feb 87

[By Jose Calmet]

[Excerpt] Lima, 25 Feb (AFP) -- The Civil Guard reported today that Peruvian guerrillas engaged in a nonstop operation, last night dynamited 18 bank offices in Lima. Two children were wounded in the attacks and considerable property damage was reported.

The attacks took place while the national Congress was debating laws that seek to imprison reporters and other members of the media who may promote terrorism to 8 to 15 years.

On voting against the proposal that sets between 15 and 25 years imprisonment for terrorists, leftist opposition Senator Genaro Ledesma Izquieta stated that classifying terrorism as a crime represents an attack on freedom of expression.

The Tupac Amaru Revolutionary Movement (MRTA) and its ally, the Movement of the Revolutionary Left (MIR), have claimed responsibility for the night of terror through antigovernment pamphlets left in the attacked banks.

According to police, 15 of the bank offices belonging to the Credit Bank, the most powerful of all Peruvian banks, two belong to the International Bank, and one to the Continental Bank. Both International and Continental are members of the State Bank. [passage omitted]

ECONOMY MINISTER ON POLICIES, BRAZILIAN DECISION

PY240143 Montevideo Radio Carve in Spanish 0000 GMT 24 Feb 87

[Text] The Brazilian Government's decision to suspend interest payments on the foreign debt is not going to make the Uruguayan Government change its policies. This statement was made by Economy Minister Ricardo Zerbino who pointed out that the Brazilian problem is of temporary nature and will soon be overcome.

The minister added that despite this situation Uruguayan exports are going to grow this year. He said that the 1987 financial program is practically ready. Zerbino also said that this week the government is going to make a decision on salary and public utilities increases.

Regarding fuel price increases, Zerbino indicated that if the current oil price of \$18 per barrel remains stable, the fuel price increase should be approximately 30 percent. However, the minister explained that this does not mean that the increase is going to reach that percentage and reiterated that the government has not yet made a decision on this subject.

GUATEMALAN PRESIDENT CEREZO ARRIVES ON 26 FEB

PY261558 Paris AFP in Spanish 1509 GMT 26 Feb 87

[Excerpts] Montevideo, 26 Feb (AFP) -- Guatemalan President Vinicio Cerezo today arrived in this country on an official 48-hour visit, as part of his tour of South American countries. The objective of his trip is to promote relations between his country and South America and to jointly address regional problems.

Cerezo, who arrived from Argentina, was received by Uruguayan President Julio Sanguinetti and his entire Cabinet. [passage omitted]

After his official visit, the Guatemalan president will take a 2-day vacation in the Uruguayan resort of Punta del Este.

PRESIDENT CITES DOMESTIC, FOREIGN POLICY GAINS

PA270341 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 26 Feb 87

[Report by Juan Manuel Pereira]

[Text] President Miguel de la Madrid warned this morning that Mexico will not embark on adventuresome economic wars or useless international controversies and will openly and strictly act before the international economic community in strict abidance with the traditional Mexican foreign policy. The president said our first priority will be Mexico's welfare and the defense of our sovereignty, peace, and freedom.

[Begin De la Madrid recording] We will continue to exert ourselves in the internal sector, overcoming the crisis, countering inflation, and recovering our economy and employment. We will also continue to struggle on the external front, with solidarity toward our Latin American brothers, and with strong and open discussions with the international economic community. Above all, we will work for Mexico's welfare and defend our sovereignty, freedom, and peace. We do not want to embark on adventuresome economic wars or useless international controversies. We will maintain the Mexican tradition of foreign policy. [end recording]

President Miguel de la Madrid gave his speech when inaugurating the 105th national assembly of the Confederation of Mexican Workers. He said that despite the crisis, internal production activities and employment have been safeguarded, inflation has been countered, and the economy has recovered. He emphasized that the economy may not have worked at a desirable level, but it has at least maintained certain normal limits. He said that this allowed Mexico to continue living in peace, with respect for institutions, rejecting pressures from abroad, and keeping Mexican opponents under control.

AGRICULTURAL-LIVESTOCK AGREEMENT SIGNED WITH CUBA

FL261611 Mexico City NOTIMEX in Spanish 0417 GMT 25 Feb 87

[Text] Mexico, 24 Feb (NOTIMEX) -- Technicians from the Mexican Secretariat of Agriculture and Water Resources (SARH) and from the Cuban Agriculture Ministry have met to discuss bilateral cooperation projects in the agricultural-livestock sector.

These projects are part of the agreement reached at the second session of the first Mexico-Cuba meeting on agricultural-livestock and forestry affairs, which was recently held in Havana.

Agricultural authorities from the two countries have agreed to increase relations in the areas of research and agricultural, livestock, and forestry resources, as well as the improvement of cattle breeding and maximum use of land and water. Later, representatives from the two countries prepared a joint draft on the prevention of agricultural plagues and the improvement of animal feed in the tropics.

The Mexican delegation that worked on the drafts said the agreements stress improving the quality of tropical forests and carbon derivatives, research in forestry genetics, production of citrus, animal feed, milk, honey, and the exchange of experiences in higher and postgraduate agricultural education.

The SARH said that despite the economic difficulties of the two countries, the commitments made in the agricultural area can be efficiently fulfilled and even increased according to the needs and possibilities of the present year.

FINANCE SECRETARY: CREDIT PACT TO BE SIGNED

PA261940 Mexico City XEW Television Network in Spanish 1300 GMT 26 Feb 87

[Text] In a news conference, Finance Secretary Gustavo Petricioli said that Mexico has already secured 97 percent of a credit package from international banks. Adding that the respective agreements will be signed in New York on 20 March, he expressed confidence that other banks that have yet to commit themselves will have decided to participate by that date. To date, \$7.5 billion has been secured. Another \$200 million still has to be agreed upon. Here is a report by Rita Ganem.

[Ganem] In the news conference, the finance secretary released the text of a message addressed to the international financial community. It energetically urges those banks that have yet to announce their participation in the loans to Mexico not to threaten this notable effort of cooperation whose effect, the message states, will be to considerably improve Mexico's medium-term prospects

The message, which was read by Jose Angel Burria, director general of public credit, states that Mexico cannot continue to adopt any more measures of adjustment without the adequate response from its creditors. It warns that Mexico has adopted the necessary and many times painful measures to carry out structural changes. Referring to the reluctant banks, the Mexican position is clear in pointing out that it cannot indefinitely wait for those who only seek the continuation of the payment of interest, but refuse to contribute to Mexico's economic growth and its payment capacity.

The fresh funds, Petricioli said, will support the strategy of the Incentives and Growth Program implemented by President Miguel de la Madrid. The finance secretary reiterated that Mexico's economic growth goals are not negotiable. Instead, the only thing open to negotiation is the conditions of the foreign debt, which amounted to \$100 billion at the end of 1986 and which this year might increase by \$6.5 billion or \$7 billion as a result of its growth goals are not negotiable. Instead, the only thing open to negotiation is the conditions of the foreign debt, which amounted to \$100 billion at the end of 1986 and which this year might increase by \$6.5 billion or \$7 billion as a result of the credits already agreed upon.

Petricioli referred in detail to the recent process of renegotiation of the Mexican foreign debt, and he reiterated that very advantageous terms were obtained. He said that they are unprecedented in international financial history, because for the first time IMF support was obtained for a program of incentives, rather than for a program of recession or of violent adjustments which would have social effects as has occurred in other countries.

The finance secretary said that Mexico is not bankrupt, and he denied that a flight of capital continues. He reported that despite the adverse circumstances, there has been a noticeable increase in our international reserves, which presently amount to approximately \$7.8 billion. He said that Mexico has expressed its solidarity with the Brazilian Government. However, Petricioli said that in no way will Mexico resort to the suspension of payments.

PRESIDENT WELCOMES COSTA RICA'S PRESIDENT ARIAS

PA270416 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 26 Feb 87

[Report by Humberto Mares]

[Text] President Miguel de la Madrid asserted today that Latin America's integration must counter interests that seek a division, political rifts, and mistrust. The president stated this during the ceremony held at the National Palace to welcome Costa Rican President Oscar Arias Sanchez, who began a 3-day state visit in our country.

[Begin De la Madrid recording] Brother countries could make the mistake of becoming involved in regional confrontations due to alien ideological confrontations, simply because they are absorbed in their ancestral problems and lack the appropriate integration. Let us reject those unjustifiable conflicts that are the result of an artificial and forced implementation of similarities. [end recording]

President de la Madrid added that President Arias Sanchez' visit to our country will allow both governments to analyze and evaluate the two nations' role at such a decisive hour for the region's peace.

Costa Rican President Oscar Arias Sanchez said we should not allow the introduction of the East-West conflict in Latin America or allow dictatorships in the region, because these are obstacles preventing Latin America's return to development.

[Begin Arias recording] Costa Rica believes it is necessary to advocate the progressive disarmament of states and reject a rash arms buildup because it worsens conflicts and delays development. We will always reject solutions based on weapons. [end recording]

The welcoming ceremony was held in the main courtyard of the National Palace. The two presidents held their first round of talks minutes later.

BRIEFS

CPC MEMBER'S ARRIVAL -- After stating that the Contadora Group constitutes the only diplomatic way to solve the Central American problem, CPC member Wen Jiabao added that the region's countries must be the ones to solve their own problems without interference from any other nation. Wen arrived yesterday at the head of a PRC political delegation invited by the PRI to seek new ways of deepening the friendship between the two countries. [Excerpt] [Mexico City UNOMASUNO in Spanish 23 Feb 87 p 5 PA]

MARIJUANA SEIZED -- Nogales -- Federal agents confiscated four tons of marijuana that was hidden in a gasoline tank truck belonging to a former governor of Guerrero state, a newspaper reported Saturday [7 February]. The "Figuermex" tank trailer was intercepted en route to the border city of Nogales, which faces the Arizona town of the same name, EXCELSIOR newspaper said. Instead of gasoline, police found bales of marijuana in its interior. The report said the Attorney General's Office was investigating the trucking firm, which belongs to Ruben Figueroa, a former governor and official of the long-ruling Institutional Revolutionary Party. [Excerpt] [Mexico City THE NEWS in English 8 Feb 87 p 4 PA]

COLUMNIST CRITICIZES GOVERNMENT DEBT POLICY

PA232154 Panama City LA PRENSA in Spanish 23 Feb 87 p 1A

["As of Today" column]

[Text] The National Government has announced that the cabinet has analyzed the financial plan for the next few years. Ricaurte Vasquez, planning and economic policy minister, has turned out to be a true artist. He is avoiding his responsibility to inform the people of an important matter such as the refinancing of part of the public debt, which comes due in the period 1987-1990.

The government decided to postpone the payments to the commercial banks and to pay only the interest. Just as the government did in the debt reorganization operations in 1983 and 1986, the debt payments will be postponed, thus passing on the debt to future generations.

Faced with the debtor's incapacity to pay the debt to Panama's creditors, the international commercial banking sector will undoubtedly be willing to accept this new proposal. It would be a disaster for them if Panama were to declare a moratorium.

The government is striving to defer payment to its debt. It has become committed to paying the interest and accepting certain goals on economic and fiscal matters. Because of the government's secrecy, the country is not kept informed about the commitments made, nor the terms which international financial institutions are imposing before granting financial support. Complying with these terms has become the country's true economic policy.

BRIEFS

COCAINE CONFISCATION -- Colombian Giovanni Ortega Suarez was arrested as he arrived in Colon aboard the train from Panama City with \$50,000 worth of cocaine. [Summary] [Panama City EL SIGLO in Spanish 26 Feb 87 p 30 PA]

COCAINE, BAZUCO ARRESTS -- Maria Eugenia Ceballos and Eleuterio Garibaldi were arrested near the Colon University campus with 1,000 grams of bazuco and 300 grams of cocaine. [Summary] [Panama City EL SIGLO in Spanish 26 Feb 87 p 30 PA]

REPORTAGE ON CADESCA MEETING IN NICARAGUA

Nicaragua's Ruiz Speaks

PA241349 Managua BARRICADA in Spanish 19 Feb 87 p 3

["Excerpts" of speech delivered by Commander of the Revolution Henry Ruiz at the opening of the fourth regular meeting of the Action Committee for the Economic and Social Development of Central America (CADESCA) on 18 February; ellipses as published]

[Text] We are happy to again have in our country an important Latin American and Caribbean representative group whose objective is to discuss the social and economic development problems of Central America.

(...) It is a known fact that in the work to smooth obstacles to achieve peace, Contadora promoted the creation of CADESCA in the framework of SELA. Twenty-one members of the 26 states that comprise SELA belong to CADESCA.

(...) Contadora and the Support Group, the secretaries general of the United Nations and the OAS, and the people of the world interested in efforts aimed at finding a reasonable way out of the crisis are demonstrations of a world that has changed, that has advanced, but that is still in a tug-of-war between peace and holocaust, between extreme wealth and extreme poverty.

Today's Latin America has to see with unrest and concern the doctrinary U.S. position, which wants to claim imperialist rights over the Central American region, especially over our country. Contadora is making great efforts to make international law valid.

(...) Experience tells us that Latin America and the Caribbean's will for peace is evidenced by the firm decision to find our own solutions, and this will is strong and capable enough to overcome any weakness.

(...) CADESCA has the essence of this eloquent and historic will to achieve peace and social and economic development. Efforts in favor of CADESCA's success mean being loyal to a noble destiny.

There have been many analyses and estimates about the international economic crisis, but proposals on how to respond to and resolve the crisis are not so abundant. However, there are two things that must be clearly understood: First, the highly developed countries are resolving their problems without inflicting serious harm to their economies. Second, weaker economies that have tried to make adjustments in line with old norms have applied measures that presently do not permit envisaging with optimism an early and clear resolution of the crisis to permit quick and substained development.

According to SELA, the gross national product of Central America grew by only 0.3 percent; the per capita income decreased for the eighth time in a row, showing a decrease of 26 percent in relation to 1978. Intraregional trade was one-third of what it was in 1980. In spite of the small presence or small flow of capital from traditional sources and sources such as Europe, the foreign debt has continued increasing.

The investment process that requires a powerful and sustained effort capable of creating employment for the labor force -- the traditional and the new one that is emerging because of demographic factors -- goes hand in hand with the complex economic and social situation that was already described as alarming and explosive before the Sandinist revolution.

Between 1980 and 1986, the mercenary aggression has produced 37,594 casualties, including 19,553 dead, 25.5 percent of whom were fighters of the people. The U.S. equivalent, on a proportionate basis, would be 2.5 million U.S. casualties. Has President Reagan ever considered this?! The direct costs of the aggression has been estimated at \$1.215 billion, and the macroeconomic impact has been estimated at \$2.821 billion. These figures represent four and nine times, respectively, the value of our 1985 exports.

When we characterize the war in our country as brutal we have neither exaggerated nor dramatized the true situation. When we affirm that we accept peace and cooperation only without conditions, it is because the history of our nation has been forged in the heart of our struggle for our national rights and independence with courage, firmness, and dignity. Our love for peace is also love for justice, for coexistence, and peaceful cooperation among nations regardless of social and economic levels and of ideologic and political frameworks.

We believe in economic integration in our region. Evidence of this is that in spite of the crisis affecting us, we Central Americans have been seeking invigorating roads, roads that may add dynamism to our possibilities in commercial, technical, and cultural exchange. We Nicaraguans will continue making efforts in this direction.

(...) Nicaragua has been advancing in its efforts to find practical solutions to some obstacles. It has diversified its markets and has found new possibilities for economic cooperation. We have done this with the urgency that life demands from us and from the strength we derive from conquered rights and from the truceless struggle of our people. We say this without arrogance and with objectivity. As peace comes to our people -- we are sure we will defeat the mercenary forces, just as the policy of aggression of the current U.S. President will be defeated -- our achievements and potential will represent a real contribution to Central America.

(...) I want to state on behalf of the Nicaraguan Government, and myself, our recognition of the state members of CADESCA, our gratitude to the states represented here, and to the representatives of the international organizations accompanying us.

Nicaragua To Hold Presidency

PA210216 Managua BARRICADA in Spanish 20 Feb 87 p 2

[Excerpt] Nicaragua will hold the presidency of the Action Committee for the Economic and Social Development of Central America, CADESCA, for a 1-year period. This was agreed upon by the fourth ordinary meeting of this SELA Action Committee being held in Managua.

The appointment took place during the first work session at the Cesar Augusto Silva Convention Center in Managua. Venezuela and Uruguay were appointed to the vice presidencies of the Action Committee. Likewise, it was decided that the committee's term would be extended through December 1989.

Cesar Arostegui, CADESCA president and Nicaraguan deputy minister of foreign cooperation, yesterday said that this SELA Action Committee was created out of a specific need, which often happens in the creation of other committees that are formed to handle a certain important economic situation (for example: fishery, housing, etc).

The Nicaraguan official mentioned that Central America continues to be a problem and that CADESCA's term (which should have ended in December 1987) has been extended for a "reasonable length of time."

In this sense, Arostegui explained that the SELA Action Committee has no intention of replacing any of the Central American organizations, but rather to negotiate economic resources to help Central America.

The Action Committee's term will end in December 1989; however, Arostegui stressed that another extension will depend "on the circumstances." When commenting on Nicaragua's appointment as CADESCA's president for next year, Arostegui said that this means Nicaragua will have to play the role of coordinator, work with the secretariat and the two vice presidencies (Uruguay and Venezuela), and inform the other member countries (21 countries in all) on the results of the work being done.

The guidelines to be followed will be the work plan approved during the Managua meeting. This work plan will attempt to consolidate the cooperation sources the committee has and strengthen CADESCA's cooperative relations for the good of the Central American countries, particularly the cooperation received from the Latin American countries, international organizations, and from the other regions that have expressed their interest in the work being done by the Action Committee. [passage omitted]

Sergio Ramirez Closes Meeting

PA211237 Managua Domestic Service in Spanish 0300 GMT 21 Feb 87

[Report by Mario Antonio Zelaya]

[Text] Vice President Sergio Ramirez Mercado said tonight that only a joint effort could open up the roads to understanding. Ramirez said these words in the closing of the 4th regular meeting of CADESCA. The Nicaraguan vice president told the representatives of 21 Latin American organizations that Nicaragua is open to a bilateral or multilateral dialogue with the Central American countries. Ramirez also said that Nicaragua is willing to attend the meeting in Esquipulas in the next 90 days. The vice president said that Nicaragua supports the Contadora Group and he said that together we could recapitulate [as heard] the Central American Bank of Industries and Commerce and that together we could face the foreign debt crisis.

The closing of the 4th Regular Meeting of the CADESCA took place in the Cesar Augusto Silva Convention Center.

COSTA RICAPRESIDENT ARIAS SUPPORTS BRAZIL'S SARNEY ON DEBT

PA260436 Panama City ACAN in Spanish 0101 GMT 26 Feb 87

[Text] San Jose, 25 Feb (ACAN-EFE) -- President Oscar Arias today offered support to his counterpart Jose Sarney concerning the moratorium decreed by the Brazilian Government on its foreign debt payments.

The information was supplied by the president himself at Juan Santamaria International Airport shortly before departing to Mexico for a 2-day official visit, upon President Miguel de la Madrid's invitation.

Arias said that Sarney had telephoned him this morning to hear his viewpoint, since Costa Rica had adopted a similar decision in July 1986, which is still in effect.

Referring to Brazil's moratorium and the rumors in America that other countries will follow suit, Arias said: "Let us hope that the creditor banks and industrialized countries will prepare themselves."

Arias hopes that the solution adopted to solve the debtor countries' problems "is not a temporary measure" but a durable and just policy.

Costa Rica's foreign debt has surpassed the \$4.5 billion mark.

Oscar Arias said he intends to strengthen the bonds of friendship between Mexico and Costa Rica, which have always been fraternal.

The two presidents' meeting will be the framework to analyze a peace proposal for Central America that Costa Rica sponsors, the Costa Rican debt with Mexico, and the developing countries' debt.

According to Mexican sources, Costa Rica has a \$9 million balance due payment to Mexico for oil purchases.

The presidential delegation is also comprised of the energy and mines minister, planning and economic policy minister, foreign trade minister, and foreign minister; this is interpreted in the two countries as a sign that bilateral commercial affairs will have top priority in the talks.

SANDINIST PROTEST NOTE ON UNO ASSEMBLY REJECTED

PA261956 San Jose Radio Reloj in Spanish 1200 GMT 26 Feb 87

[Text] Costa Rica has rejected the Sandinist note on the rebels' meeting. The note presented by the Sandinist regime regarding the announcement of a Nicaraguan Opposition Unity [UNO] assembly has been rejected by the Costa Rican Government.

Foreign Minister Rodrigo Madrigal has told Nicaraguan Deputy Foreign Minister Jose Leon Talavera that the Costa Rican Government has not intervened nor does it plan to meddle in Nicaraguan internal affairs. Madrigal also warned that the Costa Rican Government will not permit any actions from its territory that may harm the sovereignty of the Nicaraguan Government.

Costa Rican neutrality and its firm determination to respect the principle of nonintervention in the Nicaraguan conflict or in any other nation facing a conflict has been strictly applied by the government of President Oscar Arias Sanchez, said Foreign Minister Rodrigo Madrigal Nieto.

Madrigal Nieto has told the Sandinist deputy foreign minister that the Nicaraguan Government seems to ignore -- although it has been noted on several occasions -- that Costa Rica will never forbid people in exile or who are being persecuted for political reasons to freely express their political opinions.

The Costa Rican Government understands that the Nicaraguan Government -- which does not permit people to express any other opinion than the opinions issued by the Sandinist authorities -- feels anger because unfavorable opinions are being expressed abroad because people cannot express such opinions in Nicaraguan territory.

Costa Rica, however, does not feel alarmed about opinions that differ from the official position. Therefore, it has no objection to allowing refugees from Nicaragua or any other nation to criticize their country's government from Costa Rican territory.

Nevertheless, Madrigal Nieto noted, this will be allowed provided this attitude does not generate military or other actions that would represent a violation of the neutrality policy. This will not be allowed.

The fact that the Nicaraguan Government has not fulfilled the promises of democratization and respect for human rights and the subsequent absence of freedom and national reconciliation is what causes events like those that have prompted the Sandinist protest.

Rejecting the Sandinist note, Foreign Minister Madrigal Nieto urged the Nicaraguan Government to honor the promises, which would be a significant contribution, instead of the mere rhetorical declarations about peace in Central America, concludes the Costa Rican response to the Sandinist protest note.

ARIAS 'VERY PLEASED' WITH REACTION TO SUMMIT

PA261710 San Jose LA REPUBLICA in Spanish 19 Feb 87 p 2

[Excerpts] President Arias yesterday said he was "very pleased" with the international reaction to the presidents' meeting held last Sunday in San Jose.

Arias was very happy when he spoke yesterday with the government council after learning of the reaction from South America, Mexico, Central America, the United States, and Europe.

LA REPUBLICA learned that the president told some ministers that the type of reaction received from certain newspapers from Mexico and Nicaragua was to be expected.

On Tuesday [17 February], the president had received at the presidential house some newspapers from Central America, Mexico, the United States, and South America which praised the meeting. [passage omitted]

The president is very interested in the way the Mexican press treated the meeting, as he will leave for Mexico in 6 days.

It was learned at the presidential house that "some correspondents of extremist news agencies sent reports abroad that were completely wrong; and in Mexico some newspapers emphasized what had been sent from San Jose. However, on the following day most of the newspapers had received better information and then they evaluated the issues and published editorials on the subject."

LA REPUBLICA was told yesterday that President Arias insists that the Esquipulas meeting be held as soon as possible, preferably in March.

Arias said that the four presidents -- and not just he alone -- had agreed to go to Esquipulas. The presidents agreed that during the meeting they will analyze the amended peace document and use this as a basis for the discussion.

MADRIGAL ON PROSPECTS AT ESQUIPULAS SUMMIT

PA201636 San Jose Radio Reloj in Spanish 1200 GMT 20 Feb 87

[Text] Foreign Minister Rodrigo Madrigal Nieto has said that at the next summit of Central American presidents in Esquipulas, Guatemala, it will be decided whether the peace proposal will be transferred to the Contadora Group.

He recalled that the four presidents who met in San Jose last Sunday agreed to discuss the peace plan in Esquipulas, Guatemala.

Madrigal stressed that the normal procedure would be to meet in Esquipulas and decide whether the matter will be transferred to the Contadora Group as Nicaragua wants.

Foreign Minister Madrigal Nieto feels that it is highly improbable that President Daniel Ortega will succeed in making his position prevail over that of the rest of the Central American presidents, as it was the presidents' decision that the peace proposal prepared by Arias Sanchez would be discussed in Esquipulas. Madrigal Nieto stressed that Costa Rica is not interested in downplaying or nullifying the Contadora Group's work.

BORDER RESIDENTS REPORT EPS CROSSINGS

PA240211 San Jose LA PRENSA LIBRE in Spanish 17 Feb 87 p 11

[Text] Residents of the northern area of the country have charged that EPS members continue to violate Costa Rican territory in search of counterrevolutionaries.

Antonio Zuniga, a Costa Rican who lives along the banks of the San Juan River, told LA PRENSA LIBRE that alleged EPS soldiers repeatedly violate our national sovereignty by crossing into our country during operations in search of counterrevolutionaries.

Zuniga said that the EPS soldiers cross into Costa Rica in the area between Chorreras, Boca Infiernillo, and the mouth of the San Carlos River.

Zuniga added that the Rural Assistance Guard and the Civil Guard do not patrol the area, making it easy for the Sandinists to cross into our country.

According to Zuniga, the soldiers sometimes cross into Costa Rica dressed in olive green outfits and at other times they cross dressed in civilian clothes. They are heavily armed when they cross into Costa Rica in search of the counterrevolutionaries. Zuniga said that at times they try to intimidate the Costa Ricans in an attempt to obtain information that will lead them to the alleged "contras" who reside in the northern area of Costa Rica.

Area residents say they have noticed the presence of the Sandinists in Costa Rican border towns on many occasions. They are dressed in civilian clothes and cross into the country trying to get some kind of information or simply to purchase some basic products.

Antonio Zuniga said that the EPS soldiers cross the border especially on weekends to buy liquor, cigarettes, soap, and to spy.

Zuniga stressed that approximately 15 to 20 days ago there was a shooting incident in Costa Rican territory when EPS soldiers attacked a resident of the area known as "El Abuelo."

He stressed that "El Abuelo" was saved because he hid in a ditch and that he is willing to testify before the authorities about the actions committed by the Nicaraguan authorities in Costa Rican territory, thus violating Costa Rican sovereignty.

According to Zuniga's statements to LA PRENSA LIBRE, the Sandinists crossed into Costa Rica 3 days ago and burned some shacks built on "Pradera Verde" farm.

Zuniga was emphatic in stating that "it has already been proven that they are EPS soldiers" because the "contras" withdrew from the area several months ago. Zuniga added that there have been no reports regarding the presence of the "contras" since President Arias took office.

The violations of our territory not only occur along the border; the residents have said that they have noticed the presence of the EPS approximately 3 km into national territory.

According to the statements made to LA PRENSA LIBRE, the most affected area is Chorreras where "Pradera Verde" Farm is located. According to the residents of the northern area, "Pradera Verde" Farm is the main target of the Sandinist attacks.

Antonio Zuniga said that there are several unprotected areas along the border, and this is why the soldiers cross there. Zuniga mentioned a 40 km strip between Boca Infiernillo and the mouth of the San Juan River and a 22-km strip between Las Crucitas and Moravia.

Zuniga added that there are some Civil Guard posts located in the region, but these posts are located more than 25 km from the mentioned regions, making it virtually impossible for them to notice the EPS presence.

GUATEMALA

ALLEGED GUERRILLAS STAGE ACTION IN CAPITAL

PA261715 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Feb 87

[Excerpt] Among the criminal actions committed today, Tuesday, there was an unusual one with unsettling undertones:

Eight alleged guerrillas today held up a tire distributing firm in the capital's downtown sector. The holdup men took only tires, a substantial number of tires. They rejected the cash offered them by persons in the store so they would spare their lives.

This afternoon, sources remarked that the guerrilla status of the gunmen would make this the first instance of guerrilla action in the capital in almost 5 years, giving rise to justified fears about a resumption of insurgency operations in urban centers.

The holdup took place in (Roosevelt Lane) and 19th Avenue in zone 7 during the afternoon. A co-owner of the store, who did not identify himself for security reasons, gave details of the incident:

[Begin recording] [Co-owner] At approximately 1400 a group of some eight heavily armed people carrying grenades and firearms arrived at the store and threatened all of the administrative and warehouse employees. They ordered the employees to load a truck they had brought with 38 tires worth about 35,000 quetzales. The high value is because they were imported tires. The administrative employees... [change thought] -- they took the money we had in the cash register. They were all threatened with grenades and firearms, as I said.

[Reporter] I understand these people identified themselves as members of a guerrilla commando?

[Co-owner] Yes, that is right. They said that they were after the storeowners; they had nothing against the employees.

[Reporter] Did they identify themselves as members of any clandestine group?

[Co-owner] No. Apparently they did not say what clandestine group they belong to but they did say it was a clandestine group. According to what the employees said -- I was not in the store at the time -- they looked quite professional. [passage omitted] [end recording]

GUERRILLAS AMBUSH MILITARY TRUCK IN ESCUINTLA

PA292147 Guatemala City EL GRAFICO in Spanish 20 Feb 87 p 2

[Text] One soldier was killed and two were seriously injured when a guerrilla commando ambushed a truck carrying Army troops on the highway from Tecojate to Nueva Concepcion, Escuintla.

The rebels set off an explosive device when the truck came by. Soldier Everildo Suguil Ajcabul was killed in the blast, and two other men were seriously injured and given first aid by the other soldiers. They were then taken by helicopter to the Armed Forces hospital in Guatemala City.

HONDURASGOVERNMENT ORDERS EIGHT AMERICANS EXPELLED

PA252243 Paris AFP in Spanish 2106 GMT 26 Feb 87

[Excerpt] Tegucigalpa, 26 Feb (AFP) -- The Honduran Government today ordered eight U.S. citizens, who demonstrated in this city against the Reagan administration's policy in Central America, including two priests, expelled from the country.

The Americans protested in front of the U.S. Embassy at 1500 local time yesterday. At noon, they were at the local airport waiting for a plane to fly them home.

Roy Bourgerois, a Maryknoll Order priest who works in a New York church, said: "Honduras is a slave of the United States. El Salvador, Guatemala, and Costa Rica are held captive by Washington."

In a communique, the group protested "the militarization, exploitation, and expropriation of Honduras' human and natural resources as part of a drive to topple the Nicaraguan Government." [passage omitted]

PRESIDENT AZCONA INTERCEDES FOR GEN BUESO ROSA

PA252228 San Pedro Sula TIEMPO in Spanish 26 Feb 87

[Text] Tegucigalpa -- President Jose Azcona Hoyo yesterday announced that he will not only request a pardon for General Abdenego Buesa Rosa, who is imprisoned in the United States, but he will also send an envoy to Washington so that he may mediate there for the imprisoned military officer's freedom.

The U.S. news media revealed on Monday that the Honduran president had insistently interceded with President Ronald Reagan so that the U.S. authorities would show clemency and grant General Bueso Rosa a pardon.

Gen Bueso Rosa was condemned by a U.S. court for conspiracy after he voluntarily turned himself over to the U.S. justice and confessed he was guilty of a plot to [assassinate former president Suazo.]

He received a 5-year sentence and last year was sent to a maximum security jail in Florida.

Azcona discussed the topic with some journalists in La Ceiba, where he visited yesterday, and said that there is no reason to criticize or be alarmed because the leader of a country asks the president of another country to pardon a citizen who is imprisoned in that country.

The president said: "If a labor union leader tomorrow faces a trial in the United States, France, or another country, I would request clemency for him."

He added: "Gen Abdenego Bueso Rosa is a Honduran citizen who, in my opinion, is being unjustly treated. His wife showed me a document which states that he is free of any guilt in drug trafficking or anything else, so he was tried for conspiracy."

He added that if the man had been in Chile, how could he possibly conspire to assassinate a president in Honduras and -- supposing that this was true -- these are political matters and political matters must be forgiven.

Azcona continued: "Therefore, I have not only requested a pardon for him, but I will send an envoy to Washington so that he may continue to intercede and [Gen Bueso] may be released from the high security jail where he is receiving inhumane treatment."

COMMUNIQUE ON SUPPORT OF ARIAS PEACE PLAN

PA232142 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 23 Feb 87

[Communique issued by Foreign Ministry's Press and Information Directorate in Tegucigalpa; no date given -- read by Eugenio Castro, Foreign Ministry press and information director]

[Text] The Foreign Ministry's Press and Information Directorate reports that during the recent meeting of Central American presidents held in San Jose, Costa Rica, Honduras supported the initiative presented by Costa Rican President Oscar Arias as well as the purpose for the document that served as a basis for the talks held in San Jose. Honduras also supported the idea of a meeting of the five Central American presidents in Esquipulas. This meeting must be held to discuss ideas regarding the following issues:

1. National phase: each president urging the parties in conflict in Central American to begin a national reconciliation dialogue aimed at reaching agreements on four basic matters: cease-fire; (?ample) and unconditional amnesty; domestic democratization; and evaluation, supervision, and control of the agreements reached on the above matters.

2. International phase: The five Central American governments will try to reach agreements on an end to military aid to the insurgency; an agreement to prevent persons, groups, or organizations attempting to destabilize any of the Central American countries from entering the country, as well as the disarming and relocation of said persons, groups, or organizations; reduction of arms, foreign troops and advisers; and end to weapons trafficking and any form of support to subversive or terrorist persons, groups, or organizations; international evaluation, supervision and control of the agreements reached on the above matters; and, regional, political, economic, and social cooperation agreements among the Central American countries.

To achieve the above-mentioned agreements, the Central American governments plan to continue using the good offices of the Contadora Group and, at the right time, to use the services offered by the UN and OAS secretaries general for the verification and control of the agreements.

NICARAGUA

PPSC MEMBERS 'BOTHERED' BY DIAZ-HABIB MEETING

PA261740 Managua EL NUEVO DIARIO in Spanish 25 Feb 87 p 12

[Text] Most of the Popular Social Christian Party [PPSC] leaders were "surprised" and "bothered" by the apparently inconsiderate decision made by PPSC Secretary General Mauricio Diaz to meet with U.S. negotiator Philip Habib.

Diaz, who was accompanied by his former opponent, Erick Ramirez, the main leader of the Social Christian Party, returned last night from San Jose, Costa Rica, where he met with Habib. According to press reports, the U.S. negotiator tried to convince both politicians to join the Reagan administration's proposal to open an internal front in Nicaragua.

However, according to Diez, the meeting with the Yankee official -- who says he is seeking a political resolution for Central America and who has never visited Nicaragua -- was a way of obtaining an idea of the Nicaraguan situation and that this contact could possibly be a way of learning about Nicaraguan political forces, DPA reported yesterday.

Although Diaz tried to distance himself from Habib's position, he admitted that his interest was to learn about U.S. opinion regarding the so-called peace proposal recently presented by seven political parties.

"It is regrettable that Mauricio made that decision. I not only do not share that decision, but I demand an exhaustive explanation of the reasons that led him to meet with Habib. If the explanations do not please me, I am willing to request Diaz' resignation. One cannot act behind the party's back, much less when it comes to delicate problems such as Nicaragua's sovereignty," a top PPSC leader, who requested anonymity, said.

Other PPSC sources reported that an urgent meeting of the PPSC board of directors would take place last night in order to learn about Mauricio Diaz's report and make decisions in that regard.

The sources avoided answering an El NUEVO DIARIO question asking whether, if the board of directors expressed their disagreement with Diaz, it would request his resignation.

TIRADO HEADS DELEGATION TO LIBYAN CELEBRATIONS

PA262220 Managua Radio Sandino in Spanish 1200 GMT 26 Feb 87

[Communique issued by Secretariat of FSLN National Directorate; date and place not given]

[Text] The Secretariat of the FSLN National Directorate reports to the FSLN membership and the Nicaraguan people that Commander of the Revolution Victor Tirado Lopez heads the FSLN delegation that will attend the celebration of the 10th anniversary of the proclamation of the Socialist People's Libyan Arab Jamahiriya on 2 March.

Other members of the delegation are Silvio Prado, head of the Africa section of the DRI [Foreign Relations Department]; and James Zablah, foreign trade vice minister.

Secretariat of the FSLN National Directorate

CEMA SPONSORS INDUSTRIAL, MINING PROJECTS

PA261800 Managua BARRICADA in Spanish 25 Feb 87 p 11

[Excerpt] The first products of the Sebaco Valley project for overall development will appear this year, Comrade Maria Isabel Arguello, the director of the Council for Mutual Economic Assistance (CEMA) in the Nicaraguan Foreign Cooperation Ministry, has reported. Arguello added that these products will mark an increase in exports to CEMA member-countries.

With Bulgarian cooperation and as part of the CEMA multilateral cooperation in Sebaco Valley, we will begin studies to determine what other products [as published] can be used whether for raw materials for the agroindustrial plant, or for other purposes.

Other projects include 36,000 hectares of irrigation (in Masaya, Granada, and Tipitapa) called Master Irrigation Plan 1. At present, feasibility studies for this project are under way. It is believed that in the aforementioned area farmers will mainly be able to plant basic grains. The study is being made with technical assistance from the Soviet Union.

The region 6 milk development project known as Muy-Muy-Matiguas is coordinated with Cuba and includes the participation of other CEMA-member countries (the USSR, the GDR, and Czechoslovakia). This project is being carried out at present.

The Sebaco Valley project has the cooperation of Bulgaria, while the Esteli mixed textile project, studies of which will begin in the second quarter of this year, has the cooperation of Czechoslovakia.

With CEMA cooperation we are carrying out geological studies to find out where and to what extent we can increase cement production in Nicaragua.

Arguello said that the project for a deep-water port in El Bluff, on the Nicaraguan Atlantic coast, is also very important. Bulgaria is coordinating this project, which includes the cooperation of the GDR, Czechoslovakia, Cuba, Poland, and the Soviet Union.

With this project "we are trying to open the doors of the Atlantic Ocean to receive merchandise from CEMA member-countries and from other countries with ports on the Atlantic Ocean," Maria Isabel said. Arguello said that the development of the Nicaraguan Atlantic coast is essential.

There is a mining project which is being coordinated with Bulgaria. At present, Bulgaria is carrying out studies for the reconstruction and expansion of the installations of the Siuna and Bonanza Mines.

The aforementioned projects are the most important ones being carried out in Nicaragua with CEMA cooperation.

However, there are other projects such as the increase of ice production, which is sponsored by Cuba. A technical assessment of ice processing plants is being carried out. This assessment is considering, in particular, actual ice demand in the country.

Comrade Arguello said that a study of the country's mineral reserves and the drawing of different scale maps of Nicaragua have been affected by the mercenary war Nicaragua is experiencing.

In addition, there is a project for small hydroelectric plants, which might be built in Rio Grande, Matagalpa, and in Rio Viejo, among other places. The projects are small, but as a whole they could generate a great deal of energy. Studies on which CEMA countries will build the necessary equipment for this project are under way. A similar project will have 350 megawatts of capacity, although the time of its construction is yet to be determined, because many resources are needed. [passage omitted]

OPPOSITION DEPUTY CRITICIZES FSLN POLICY

PA242147 Managua Radio Sandino in Spanish 1200 GMT 24 Feb 87

[Text] Augusto Cesar Castillo of the Democratic Conservative Party of Nicaragua, speaking yesterday of the pardons approved by the National Assembly and on the state of emergency, said that the FSLN uses the state of emergency to avoid outbreaks of discontent among the people.

[Begin Castillo recording] In my opinion, the state of emergency must be maintained by the FSLN at all costs to avoid outbreaks of discontent by the people, who can no longer be silent, who cannot live any longer with the miserable salaries they earn; and even when they receive bonuses or whatever you want to call them, even then, it is not enough to subsist on a monthly basis.

[3-second break in reception] In all these cases we have some pretty phrases to defend us, and we say: It is due to the imperialist aggression. It is because of Reagan. That is true. U.S. aggression supports this war and has greatly harmed this country's economy. However, there are also a series of factors that contribute to the bad situation experienced by our people, which is the saddest in all its history: this government's poor administration. This government has tried to hide its economic disorder, which has led us to an unreal situation in which we do not know which currency is legal in Nicaragua; the dollar or the cordoba.

To be able to buy some consumer article that cannot be found anywhere, one has to obtain dollars to go to the type of store that has these goods. How is it possible that Nicaragua, with a revolutionary and nationalist government, has not taken the steps to ensure the supply by its great allies -- in this case the socialist countries -- of all the consumer goods that the people lack? From food to toothpaste to toilet paper -- there is a horrendous toilet paper shortage at this time -- anyway, it is a desperate situation. If there were no state of emergency, we could say talk about this on the radio. We could discuss it in the newspapers -- if newspapers existed, but we only have the two newspapers, one which is official, and the other which is semiofficial, but it follows the FSLN line. This paper, which is EL NUEVO DIARIO [changes thought] we must recognize that once in a while it frees itself [libretea] and publishes some things critical of the government, which is good for the government to notice, so that those in charge take notice of the real facts. [end recording]

CALERO SAYS CONTADORA TO 'CONTINUE FAILING'

PA252141 Panama City ACAN in Spanish 1823 GMT 25 Feb 87

[Text] Tegucigalpa, 25 Feb (ACAN-EFE) -- Anti-Sandinist leader Adolfo Calero stated today that the Contadora Group "has failed and will continue failing" for refusing to take the contras into consideration.

Calero arrived here yesterday and left today without saying where he was going.

The contra leader told ACAN-EFE that the anti-Sandinists are fortunate to have the help of men such as U.S. President Ronald Reagan and several congressmen who understand that the struggle for democracy in Nicaragua is a just struggle.

"Reagan demands that we be considered in the search for a peaceful solution to the Nicaraguan conflict," he added.

When referring to yesterday's editorial in the U.S. daily THE WASHINGTON POST suggesting that the assistance to the contras be suspended, Adolfo Calero said that the newspaper has always been in favor of the Sandinists.

"That newspaper has always been the voice of the extreme liberal sector of the United States and it also supported the Sandinists during the Somoza dictatorship," he pointed out.

According to Adolfo Calero, the anti-Sandinists are willing to put down their weapons, but so long as peace and liberty with dignity be guaranteed.

"However, a ceasefire at this time would only guarantee the continuation of slavery in Nicaragua," he added.

The rebel leader advised that the anti-Sandinist struggle "will continue in order to prevent a continuation of outrages committed against the Nicaraguan people who are living in poverty."

The FDN chief said that Honduran President Jose Azcona Hoyo "is a defined democrat who does not beat around the bush. He speaks clearly." Azcona Hoyo feels that a dialogue with the opposition is necessary in order to solve the internal conflict of Nicaragua.

Adolfo Calero did not wish to discuss the problems that have arisen in the directorate of the Nicaraguan Opposition Unity (UNO), from which he resigned last week.

PARIS PAPER INTERVIEWS CONTRA LEADER

PM261106 Paris LE FIGARO in French 20 Feb 87 p 2

[Francois Luizet report: "The Sandinists Will Lose in 1988...."]

[Excerpts] Enrique Bermudez' code number is "380". Enrique Bermudez, his face scarred by smallpox and wearing small tinted glasses, is the military chief of the contras. He was too liberal for the dictator Somoza's tastes and was a colonel when he was sent as military attache to Washington in 1976. It was he who in 1980 succeeded in uniting all the anti-Sandinist factions within the Nicaraguan Democratic Front [FDN]. [passage omitted]

Enrique Bermudez said: "Some 11,480 soldiers are now in Nicaragua where there were 174 clashes in January. We gained 200 deserters and we have between 5,000 and 6,000 soldiers in reserve.

They are divided between two or three bases similar to this one. We are setting out with new equipment and high morale. We are relying a great deal on the SAM-7 missiles to shoot down several Mi-24 helicopters. We are receiving growing support from the rural population. Without their help, the Sandinists would already have wiped us out. Waging a guerrilla war against a totalitarian government is not the same as against a liberal government. Take El Salvador, for instance: A Salvadoran guerrilla can hide his arms and equipment overnight and then lose himself in the crowd; nobody will ask him for his papers. He can go to the movies or to a restaurant, and can buy 100 pairs of boots. He will even be offered a wholesale price. In Nicaragua, however, the totalitarian state carries out stringent checks on the population. It also strictly controls the country's resources. A peasant cannot buy a pair of boots without being subjected to an interrogation by the state police. Strikes, protests, and clandestine activities are impossible in a regime of terror...."

Number "380" explained that the country has been divided into 20 operational zones. "The contras," he said, "are perfectly at home in the regions of Chontales, Boaco, central Zelaya, Rio San Juan, the northern and central parts of Jinotega, and the eastern part of Matagalpa."

On the other hand, the contras are less well established in Esteli Province and in the Western part of Matagalpa because these are regions which the Sandinists can reach much more easily by road. Enrique Bermudez also said that the ambushes laid by the "Jorge Salazar Commando" made it possible to block the road from Managua to (El Rama) and from there to the Pacific. So, the Cuban and Soviet military equipment from Bluefields (an Atlantic port) can no longer reach the capital. He also said that several electricity installations have been sabotaged in the past few days, especially near Lake Apanas, 100 km from the capital, on 9 February. He added: "But near the Costa de Mosquitos, Milton Fritz' Sumo Indians are causing problems for the Sandinists in a region which is crucial because it contains gold mines."

He predicted: "In view of our present capability and the coming logistical support (from the Americans -- LE FIGARO editor's note) the Sandinistas will suffer a severe blow in 1987. They will lose face militarily and economically. And 1988 will be the year of collapse for them."

CONTRA ACTION LEAVES ESTELI WITHOUT ENERGY

PA250023 Managua Sistema Sandinista de Television Network in Spanish 0200 GMT 18 Feb 87

[Text] An electric tower was destroyed last night. The terrorists' action was perpetrated near La Trinidad, Region 1. This sabotage is part of the counterrevolutionaries' efforts to ensure the U.S. Congress' support now that only a few days are left before the discussion is resumed on the financing of the mercenaries' war against Nicaragua.

The sabotage was carried out last night at the hill known as El Ocote, 40 minutes by road from La Trinidad. As the result of the action, Esteli and its municipalities were left without energy. The region's military authorities have reported that the attack was perpetrated by a CIA special commando unit.

[Begin unidentified speaker recording] The group who executed the action withdrew northeast of La Trinidad. The explosives used were C-4 and U.S.-made (?Dimonex). Judging by the way the tower was sheared off, we think the perpetrators must have been specialists trained at special bases in either Honduras or Miami. [end recording]

EPS and Interior Ministry joint forces are currently pursuing the mercenaries who sabotaged the tower. The action caused damage worth millions [currency not specified] but specific figures will be established until the high-tension cables are reinstalled.

SOVIET AMBASSADOR OUTLINES RESTRUCTURING PROCESS

FL261425 Havana Radio Progreso Network in Spanish 1200 GMT 26 Feb 87

[Text] An extensive description of the restructuring process currently practiced in the Soviet Union was given in Havana by Aleksandr Kapto, member of the CPSU Central Committee and Soviet Ambassador to Cuba.

The diplomat stressed that his country is intensely struggling to break old systems and obsolete structures and to reinforce organizations of the state's central administration and party leadership.

RISQUET, SOVIET SOLIDARITY COMMITTEE MEET

FL262114 Havana Radio Reloj Network in Spanish 1904 GMT 26 Feb 87

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo and secretary of the party's Central Committee, met today in Havana with a delegation of the Soviet Committee for Solidarity With Latin American Peoples, headed by its first deputy chairman, Peter Nikolayev.

Risquet and the members of the Soviet delegation exchanged views on the Central American situation, stressing the need to strengthen solidarity with the peoples of that area against all kinds of aggression. They briefed one another on the solidarity activities that are being carried out in Cuba and the USSR with the Latin American and Caribbean peoples.

During its stay in Cuba, the Soviet delegation has visited historical, social, cultural, and scientific centers in Havana and Santiago de Cuba at the invitation of the ICAP [Cuban Institute of Friendship With Peoples].

Cooperation Agreement Signed

FL270210 Havana Radio Reloj Network in Spanish 2158 GMT 26 Feb 87

[Text] Cuba and the Soviet Union signed a cooperation agreement today on the solidarity work of the two countries with the peoples of Latin America. The document signing ceremony was held at the ICAP headquarters.

In the document, Cuba and the USSR pledge to continue defending peace policies for disarmament, detente, against the arms race, and condemn the cold war policies of imperialism and reactionaries. Likewise, according to the agreement, Cuba and the Soviet Union will denounce U.S. aggression on Latin American peoples and will defend their rights to live in peace and to choose their own destiny. Cuba and the USSR noted that with the signing of the agreement they formalize the work for peace they have been developing in Latin America and reaffirm their support to the Soviet peace program to save humanity from nuclear holocaust.

ELECTRONICS COOPERATION AGREEMENT SIGNED WITH GDR

FL260355 Havana Radio Reloj Network in Spanish 0306 GMT 26 Feb 87

[Text] Cuban and GDR electronic industry leaders have signed a cooperation protocol for the next few years. The document foresees the cooperation of the GDR in the development of the Cuban electronic industry in some areas of electronic calculation techniques and manufacture of micro-electronic elements.

U.S. ATTEMPTS TO THWART PANAMA CANAL TREATY

PA230215 Havana International Service in Spanish 2300 GMT 21 Feb 87

["Our America" commentary ready by Norberto Hernandez]

[Text] Recently the Panamanian media again reported on U.S. attempts not to comply with the Torrijos-Carter treaties signed in 1977. These treaties establish that at the beginning of the next century Panama will assume absolute control over the Panama Canal.

Of course, the terms of the treaty that General Omar Torrijos viewed as the trading of a stick in the heart for a rock in one's shoe, have not been viewed favorably by U.S. strategists or the ultrarightist sectors that think of themselves as perpetual owners of the strategic enclave.

The reactionary forces that put Reagan in power promoted the approval by the U.S. Congress at the end of 1979 of so-called Law 96-70 which is aimed at establishing an official [U.S.] policy contrary to the spirit of the agreement signed by Torrijos and James Carter. Meanwhile, elements from those reactionary circles tried to promote in the people feelings of unbounded chauvinism in favor of such an irrational position.

At one hysterical moment it was even said that giving up the Panama Canal means putting it in the hands of international communism.

Everything indicates that the U.S. opinion in this regard remains untouched. The worsening of the Central American conflict is adding new elements for the White House to cling to the idea of not giving up its domination over the Canal where the U.S. Armed Forces Southern Command has its headquarters and where rapid deployment forces and other aggressive units are quartered.

The warmongers also argue that delivering the control of the canal to Panama would mean putting in strange hands the keys to the Atlantic commercial routes of the United States, thus disregarding the fact that the 1977 treaties establish the canal's neutrality represents as an inviolable principle that must be guaranteed by the Panamanian authorities.

Consequently, Washington is creating difficulties for compliance with the transitional steps that were agreed upon and that must take place until the process of delivering to Panama its main economic resources is done.

The White House makes efforts not to pay the Panamanian state its share of the revenues it must receive based on the Torrijos-Carter treaties. The so-called Zonians -- who live in the Canal Zone -- are the human factor being used for the obstacle-creating task. There are even discussions about preventing a Panamanian from becoming administrator of the canal, which is what was agreed on.

Influential forces such as the Nonaligned Movement are in favor of Panama and support Panama's demands. At the Nonaligned meeting of ministers to take place in Guyana in March one of the main points on the agenda will be to support the people of Omar Torrijos in their just demands.

The fascists who have their nest in the White House hate to yield to a brave people like the Panamanians. There is every indication that because of the profound anti-imperialist tradition of Panama, U.S. power circles will not be able to impose their will in the canal.

Torrijos planted a seed which has grown into a tree with thousands of powerful branches.

OFFICIAL SIGNS COOPERATION PACT WITH INDIA

FL260312 Havana Television Service in Spanish 0100 GMT 26 Feb 87

[Announcer-read report followed by video recording of Cuban and Indian officials]

[Text] The third exchange agreement in various spheres between Cuba and India was signed today at the Foreign Ministry. It will be in effect beginning this year and continue until 1989. The document was signed by Mr Y.S. Das, Indian deputy minister of human resources, and Giraldo Mazola Collazo, Cuban vice foreign minister.

[Begin recording] [Mazola] The protocol we have signed is very important because it includes fields such as culture, education, science, radio, television, and even sports. It is a very flexible protocol because it allows for other agreements to be signed later in other areas such as sports. The youth and sports minister has already told us that she wants to come to Cuba in May to broaden our relations in this area because up to now we have not had contacts and important activities.

[Reporter] Will this program continue after 1989?

[Mazola] I believe it will undoubtedly continue. This is the third protocol we have signed and it has been broadened and we plan to continue developing it.

[Das, in English] It is with such programs that the people of the two countries could come closer, which is good for humanity. [end recording]

RAUL CASTRO INTERVIEWED ON FAR ANNIVERSARY

PA242223 Havana RESUMEN SEMANAL GRANMA in Spanish 11 Jan 87 p 12

[Interview with FAR Minister General Raul Castro by Ricardo Martinez "on occasion of the 30th anniversary of the FAR celebrated on 2 December"; no place given -- taken from Interior Ministry magazine MONCADA; all quotation marks as published -- words between slantlines published in boldface]

[Text] [Martinez] The arrival of the yacht, /Granma/, to the Cuban coast on the morning of 2 December 1956 marked the birth of the rebel army. That date has been established as the day of the FAR. According to your account, it was at the moment of landing that you and Che learned the name of the yacht that had brought you to Cuba. This shows that none of you were getting ready to fight for glorifying objectives. Nevertheless, you must have had some notion then about the army you planned to establish in the mountains.

"Can you define it 30 years later?"

[Castro] After the attack on the /Moncada/ barracks, our first task was to transform the tyranny from the accuser to the accused during the trial that was held as a result of the 26 July 1953 actions. In that battle, Fidel came out victorious with his historic allegation known as History Will Absolve Me.

"Afterwards, in prison, Fidel outlined with precision the strategy to renew the armed struggle in the country; for us, it was clear that there was no other path.

"As a result of the May 1955 amnesty and during a brief stay in the country, he directed his efforts toward two main aspects: first, showing the masses that unleashing the revolutionary war was inevitable; second, laying the foundations for the organization of the clandestine movement. Afterwards, we left for Mexico. I had done so a little earlier on Fidel's instructions because I had been falsely accused by the dictatorship of having placed an explosive device in a movie theater in the capital. Fidel later joined us.

"In Mexico, we had a more complete idea of what the revolutionary detachment would be like. Once in Cuba, this nucleus of combatants would unleash the struggle through guerrilla warfare and would progressively develop until it became the rebel army. At the same time, it would promote with its action the people's incorporation into all possible forms of struggle against the regime established by the coup d'etat on 10 March 1952.

"The group of comrades who would have the historic mission of renewing the armed struggle with the arrival of the /Granma/ became prepared politically and militarily in Mexico to successfully face the difficult confrontation that was approaching.

"Fidel organized the military instruction of the combatants in accordance with the concept he had about the future struggle both in practice and in theory. For many months we undertook rigorous training that gave us practice in all aspects of guerrilla activity, particularly in the art of target shooting, where almost all the comrades were able to achieve notable results.

"This training was complemented with classes on theory that, as is known, were given by General Alberto Bayo, an old and self-sacrificing antifascist Spanish fighter who was very skillful in guerrilla actions because he developed them during his participation in the defense of the Spanish Republic.

"In the house camps where we lived and where we were militarily organized under regulations drawn up by Fidel, we also received political training that included both the study of works of universal culture as well as material related to the problems that our homeland was then experiencing.

"The clashes gradually intensified. We even managed to establish two major centers. One was in /Santa Rosa/ ranch and the other in a place called Abasolo, which is located in a remote region near the city of Victoria, in the State of Tamaulipas. In these two places the topography allowed us to train in conditions very similar to the ones we would face later on.

"Long before leaving for Cuba, the group of comrades who were training in exile became a totally cohesive and disciplined fighting unit under Fidel's leadership.

"Thus, all of the comrades who arrived in the /Granma/ knew perfectly well why were we going to face an armed struggle, as well as how to face it, because we had been carefully trained to fight successfully.

"On one occasion, Fidel met with the FAR chiefs and vanguard officers and correctly stated that if it had not been for the setback in Alegria de Pio, which kept most of the 82 highly trained members of the /Granma/ expedition from reaching the Sierra Maestra, the war against the dictatorship would have ended much sooner.

"As planned by Comrade Fidel, the /rebel/ army, which was born on 2 December 1956 with the landing of the /Granma/, was indeed the people's armed wing and their revolutionary vanguard."

[Martinez] In successive clashes you went from a mere chief of a guerrilla platoon to the rank of commander. Moreover, barely 15 months after the /Granma/ landed, you led a rebel column from the Sierra Maestra toward the northern area of the old Oriente Province. There you founded a war front which, thanks to its political and military organization, even had what is now referred to as "a state within a state."

"What practical influence did Commander in Chief Fidel Castro have in your development and in the development of other comrades as guerrilla cadres capable of executing major tasks? Can you explain the nature of this teaching?"

[Castro] Before answering your question directly, I want to express some thoughts brought to mind by your introduction. I conducted my first revolutionary activities from the honorable position of a simple soldier. When the youths in the Centennial Generation [Generacion del Centenario], who were led by Fidel, were preparing and organizing the attack on the /Moncada/ Barracks, I was one more fighter. Then, during the incidents of 26 July 1953, I assumed the leadership of the small band tasked with occupying the Palace of Justice. We were six men. [paragraph continues]

Although we did not have this sort of military structure at that time, if we were to do the same thing today, I could say that I was a squad chief. It was after I experienced imprisonment and underwent political and military training in Mexico for the /Granma/ expedition that Fidel gave me the rank of captain and the responsibility of being head of a rearguard platoon. I received this position on 1 December 1956 when we were aboard the /Granma/ a few hours from Cuban shores.

"After 1 year in the armed struggle, I was promoted to commander when I assumed the command of the /Frank Pais/ No 6 Column, tasked with establishing the second eastern front, which later also took on the name of the glorious Santiago combatant.

"As for claims that the second front was "a state within a state," I would like to take the opportunity to clarify some things. Given the conditions in which the war in our country developed, we could not say that the second front was a state within a state, but we could say that the rebel army as a whole was. Let us not forget that the first front housed the general headquarters and an organization to administer liberated territory: Furthermore, and just to cite an example, the penal code we brought to the second front, which we enforced during the early days of our stay in the new rebel area, was the one drafted in the Sierra Maestra.

"It is important to point out that during the war numerous valuable cadres were sent from the first front by Comrade Fidel to extend the armed struggle to other regions of the country; logically, this had a bearing in his internal organization efforts. This kind of organization also existed in other fronts, although the same level was not reached in all of them because they were established at different times. In addition, the sociopolitical conditions of each territory were different.

"In the second front it was possible to improve those activities and its organic structure to the extent that in September 1958, when we were fully at war, Fidel described it as 'a model of organization, administration, and order.'

"As for your question regarding Comrade Fidel's practical influence on us as guerrilla cadres, I wish to point out that it is an irrefutable fact that Fidel has the characteristics and virtues that a military leader should have. They were carefully defined by Engels; in sum they are: absolute identification with the people's interests, profound military knowledge, a high cultural level based not only on a broad professional training, but on a political, military, and ideological dimension as well: modesty and unaffectedness in his contact with others, and the capacity to voice and convey his ideas with precision. As is obvious, these characteristics left a profound impression on those who shared the difficult struggle to liberate the homeland, and today, to establish socialism.

"Next to him and under the influence of his unique personality, as is known, numerous revolutionary cadres were formed; some of them did not see the triumph of the revolution materialize: Abel Santamaria, Nico Lopez, and Juan Manuel Marquez, among many others.

"His talent and capacity to learn the basic nature of revolutionaries has made it possible for him to discover their positive attributes and help them improve and correct shortcomings; in sum, to exert a profound educational influence on his men. In this regard, the example of his sacrifice, which has always come before other people's sacrifices, has played a major role and serves as a permanent inspiration and stimulus.

"At the personal level, among the many virtues I have often valued highly in him is his great capacity to foresee danger and sense with incredible precision enemy plans when they are still confusing or imperceptible to other comrades. A few days ago, when I was reading my field diary, I stumbled across a note I wrote after the unlucky moment when we were caught by surprise in Altos de Espinosa on 9 February 1957 -- as the result of the cowardly treason of an informer, the tyranny's Army surrounded us with numerous troops. Fidel, who intuitively sensed that danger was near, ordered us transferred immediately from where we were. Thus, he spared our small guerrilla detachment from falling into a deadly siege which none of us would have survived.

"Regarding the minutes that preceded combat, I wrote at the time that Fidel was restless, he seemed to smell danger like a bloodhound.

"Yet one of the things I have admired most in him and which has deeply influenced all of us who have had the privilege of being with him both during the years of the armed struggle and after the triumph of the revolution is his faith in the people and their ability to recover from any temporary setback. He has absolute faith in victory. When I think about a symbol for this optimism, I always return to what I have mentioned other times -- namely, the moment we met with him again at Purial de Vicana, at a place known as Cinco Palmas, on 18 December 1956, 13 days after the Alegria de Pio surprise. There were five of us, and we had our weapons. After he embraced us -- he was happy because we had succeeded in keeping our weapons, even though we were then only eight combatants with seven rifles -- he uttered these unforgettable words: 'Five rifles, plus the two I have make seven. Now we will win the war!'"

[Martinez] We commemorate the 30th FAR anniversary this year. We would like you to tell us about the FAR's role during its history, its level of development, and its role in the country's security.

[Castro] The detachment of revolutionary combatants that landed on 2 December 1956 was the core of the incipient rebel army, to which our FAR is a legitimate heir.

"As I explained earlier, following the Alegria de Pio setback, a number of survivors managed to regroup around Fidel at Purial de Vicana in the Sierra Maestra, where the Rebel Army tempered itself in combat, grew, and consolidated.

"Unity, cohesion of the combatants round their top leader, their ties with and respect for the people from which they came, promotion based on merits in the battlefield, and conscientious discipline were the basic principles that governed the army's life and activities right from its beginning.

"In this guerrilla detachment, the first combat experiences were lived, important qualities such as boldness, valor, and comradeship were forged, and the sacred principles of not compromising with the enemy and confidence in victory always upheld.

"During those hard years of war, this small army became the revolutionary movement's driving force and the source of its conscience.

"It is impossible to explain the rebel army's victorious campaign without mentioning the irreplaceable role played by its founder and commander in chief, Comrade Fidel. His enormous confidence in victory and his unyielding faith, as well as his strong revolutionary leadership decisively contributed to the fact that a small, exhausted detachment, the survivor of a difficult setback, and which would later pass through very difficult situations, became a powerful and victorious guerrilla army.

"Right from the moment of triumph, the defense of the homeland required special attention and efforts because of the immediate reaction of the class enemies. The National Revolutionary Militia were created in the midst of campaigns, threats, aggression, and an imminent invasion. Already during 1960, these militias dealt heavy blows to counterrevolutionary bands and fought along with the Rebel Army and the National Police in April 1961 to defend the banner of socialism that flew in the Western Hemisphere for the first time.

"Starting then, the first large and regular units of FAR were created. Simultaneously, an uninterrupted process of improving those units' fighting capacity, assimilating the increasingly complex fighting techniques and weapons, and constantly improving its cadres, combatants, and organization began.

"The solidarity and unselfish support of the Soviet Union and especially of its heroic Armed Forces played a decisive role in this process. Thanks to that fraternal cooperation, which is a true example of internationalism, FAR has modern and powerful weapons for defense tasks and it has also attained a high degree of military perfection.

"Throughout all these years of difficult struggle to build socialism, FAR has participated along with the people in important economic tasks. It has offered its valuable assistance to resolve difficult problems imposed on us by natural disasters and to end their consequences in the shortest possible time. The FAR has been present in all the emergency situations that the country has experienced. The FAR ranks have formed valuable cadres for various fronts of the revolutionary cause.

"The last 5-year period has been particularly fruitful for the strengthening of the country's defensive capacity. This was the patriotic reply of the Cuban people to the escalation of threats and aggressions carried out by the current U.S. Administration.

"The FAR, along with the rest of the organizations of the central administration of the state, mass organizations, and other institutions have participated in the preparation of the country's defense. Responding to the mission given by the party [Communist Party of Cuba] and the commander in chief, FAR has been present in the organization and training of Territorial Militia Troops, in the training of officers, in the military training of thousands of cadres of the party, the state, and mass organizations, in the planning and carrying out of important exercises, maneuvers and training, in which the population en masse participated, as well as in forming the territorial defense system and other important tasks.

"Modestly and as a single soldier, FAR has made efforts to respond to the trust placed in it, by which FAR is considered to be a protective shield against possible military aggression and a sure guarantee that the country would be successful in war."

[Martinez] FAR and the Interior Ministry have worked together in the defense of the Cuban revolution. How would you describe the ties that link our institutions?

[Castro] The combatants of FAR and the Interior Ministry have been permanently united in confronting the enemies of the revolution.

"Most MININT [Cuban Interior Ministry] founders came from the ranks of the Rebel Army. Together they have faced domestic and foreign enemies. United as one and in brotherhood with the militia, they fought and won in Playa Giron. They dispersed numerous counterrevolutionary bands and they wrecked sabotage attempts and several attacks. Furthermore, together they have fought and shed their blood in the fulfillment of internationalist missions.

"Today more united than ever, FAR and the MININT participate in the correction of errors and negative tendencies thus responding to the call made by the Third Congress of the Communist Party of Cuba, which was reiterated by our commander in chief.

"This 30th anniversary is, for those and other reasons, not only FAR's anniversary, but also that of MININT and of all our combative people and militias, because today as always, we walk together under the firm leadership of our party for the defense of the fatherland."

CDR'S URGED TO DO MORE IDEOLOGICAL WORK

FL231312 Havana Radio Progreso Network in Spanish 1200 GMT 23 Feb 87

[Text] The Committees for the Defense of the Revolution [CDR] have been urged to carry out a more thorough ideological and political work, a primary task, by Lazaro Vazquez Garcia, alternate member of the Communist Party of Cuba [PCC] Politburo and first provincial PCC secretary. He was speaking in Camaguey at a meeting of CDR leaders in the province. Vazquez stressed the important work that the CDR's are playing in our society's current stage of development because of their mass membership and the broad possibilities of direct contact with the people through dialogue and timely explanations for any situation.

MILK QUOTA REDUCTIONS EFFECTIVE 4 MARCH

FL242220 Havana Radio Periodico del Aire in Spanish 1700 GMT 24 Feb 87

[Text] The second of the 27 measures adopted by the National Assembly of the People's Government during its ordinary session in December, which involves a 1/4-liter reduction in the milk quota, will go into effect in the city of Havana on 4 March.

As it has been explained through the media, the measures was adopted to deal with the complex economic situation Cuba is experiencing. In the specific case of milk, the measure will release milk provisions to satisfy various requirements, including new milk stipulations at child care centers.

BAHAMASUK DEFENSE CHIEF ON VISIT FOR 'ROUTINE TALKS'

FL262139 Nassau Domestic Service in English 1800 GMT 26 Feb 87

[Text] The chief of defense for Britain, Admiral Sir John Fieldhouse, is in the middle of a 2-day visit to the Bahamas. He arrived here yesterday for routine talks on matters of mutual interest to Britain and the Bahamas.

He is scheduled to make courtesy calls on several of our government officials, including Prime Minister Pindling.

LABOR PARTY FORMED; LEADER DISCUSSES PLATFORM

FL270240 Nassau Domestic Service in English 1800 GMT 26 Feb 87

[Text] Another political party has been formed and will be involved in the upcoming general elections. The Labor Party announced yesterday that it will be fielding candidates for the elections. The leader is Sir (Randall Fox).

[Begin (Fox) recording] We pledge our support of the cause of democratic government and the Christian way of life. We pledge to support equality before the law for all (?men living). We pledge our resolute opposition to all forms of dictatorships and interference with the human life and (?human) liberty. [end recording]

The Labor Party has confirmed that Dr (Elwood Donaldson) will run in St Michael for the Labor ticket and Dr (Archie Donaldson) will be contesting the Kemps Bay seat.

JAMAICAMARIJUANA-RELATED-ARREST FIGURES REPORTED

FL242338 Bridgetown CANA in English 1628 GMT 24 Feb 87

[Text] Kingston, Jamaica, Feb 24, CANA -- More than 750 foreigners, mainly Americans, were among the over 4,000 people charged with marijuana offences in Jamaica during 1986, according to police figures.

The figures, issued through the government's JAMPRESS NEWS AGENCY, showed 4,123 people were arrested on marijuana-related charges last year. Of that figure, 782 were foreigners with 608 of them being Americans, 78 Canadians and 50 Britons.

JAMPRESS reported that 226 of the foreigners -- again mostly Americans -- as well as 56 Jamaicans were held at the island's two international airports attempting to smuggle more than 4,000 pounds of marijuana out of the country.

All the traffickers were charged with possession of ganja (marijuana) and attempting to export the drug, and many of them are still serving prison sentences, JAMPRESS said. The agency reported that nine out of every 10 persons body searched at the airports were found to be carrying marijuana, and it attributed the success rate to well-trained narcotics agents and sharp sniffer dogs.

Most of those arrested at the airports were held between the security point and the departure lounge. These international traffickers carried the drug strapped so tightly to their waist and between their legs that marks were left after the drug was removed, JAMPRESS said.

Jamaica is estimated to supply the United States with up to 10 per cent of the marijuana consumed in that country. According to the police figures the security forces here last year destroyed 6,811 acres of marijuana and seized 700,000 pounds of the cured drug at an estimated U.S. street value of U.S. 284 million dollars.

TRINIDAD AND TOBAGO

PNM CHAIRMAN PREVATT RESIGNS DUE TO ILL HEALTH

FL190042 Bridgetown CANA in English 2347 GMT 18 Feb 87

[Text] Port-of-Spain, Trinidad, Feb 18, CANA -- The 75-year-old chairman of the former ruling Peoples National Movement (PNM), Frances Prevatt, has resigned from the top party administrative post, political leader Patrick Manning announced tonight.

Prevatt, often the subject of attacks as representing the party's old guard following its massive electoral defeat last December, said in a letter dated February 4 his resignation with immediate effect was due to ill health. Prevatt's ill health had caused him to collapse at the party's elections convention last November as it embarked on the electoral trail which saw the end of its 30 years in power. Following elections, PNM leader and former Prime Minister George Chambers, one of the poll casualties, resigned leaving the PNM to elect an interim leader, parliamentary opposition leader and former energy minister, Patrick Manning in the post.

Manning, who holds the post until the party's annual convention in September, said tonight in a statement that Prevatt had left the country several days ago to seek medical treatment in the United States. In his letter addressed to party general secretary, Alvan Quamina, Prevatt said he was confident that the party had the capacity and resources to regain the confidence of the people in Trinidad and Tobago. Prevatt, promising his future contribution from retirement, said he wished the PNM growth and strength in future years.

SENIOR PNM OFFICIAL SUBMITS RESIGNATION

FL202352 Bridgetown CANA in English 2242 GMT 20 Feb 87

[Text] Port-of-Spain, Trinidad, Feb 20, CANA -- Another senior official, Port-of-Spain attorney Osborne Charles, has quit the opposition Peoples National Movement (PNM). Charles, in a letter sent to PNM General Secretary Alvan Quamina and the news media, said he was leaving because of a lack of forthrightness of the PNM's parliamentary arm and party behaviour at the last convention. I am flabbergasted by the lack of forthrightness of the party's opposition in the House of Representatives and the inability of the leadership to confront the issues at hand, he said. Charles, a party activist, last year underwent screening without being chosen as an electoral candidate for the December elections which ended 30 consecutive years of rule by the PNM. His resignation comes one week after that of party chairman Frances Prevatt.

DOMINICAN REPUBLICPRESIDENT OF CHAMBER OF DEPUTIES RESIGNS

PA251522 Hamburg DPA in Spanish 1922 GMT 24 Feb 87

[Text] Santo Domingo, 24 Feb (DPA) -- Today, the Dominican Chamber of Deputies will discuss the resignation of its president, Fernando Amiana Tio, for "reasons beyond his control."

After accepting Dr Amiana Tio's resignation, the deputies will proceed to elect a new vice president. As regulations stipulate, the present vice president, Edilio Vargas Ortega, will become president of this chamber.

Amiana became president on 16 August 1986, when the Social Christian Reformist Party (PRSC) came to power. His letter of resignation does not give details regarding this action, but it does state that the resigning president will continue in the chamber as a deputy.

The PRSC deputies will elect the new president [as received] because they have a comfortable majority in the legislative body.

SURINAMEEDUCATION MINISTER ANNOUNCES CLOSING OF SCHOOLS

FL261824 Paramaribo International Service in English 1730 GMT 26 Feb 87

[Text] The higher secondary schools will remain closed until further notice, according to Education Minister Allan Li Fo Sjoe yesterday.

After student demonstrations and disturbances of last week, 88 schools in and around Paramaribo were closed on Monday and Tuesday [23-24 February]. They should have been reopened today, but the authorities later decided against this.

Some student leaders have requested a concrete guarantee for safety from the prime minister. They have also issued a call for students to return to school whenever the Ministry of Education announces the reopening.